CREDITACCESS GRAMEEN LIMITED

CreditAccess Grameen Limited ("**Company**" or "**Issuer**") was incorporated as Sanni Collection Private Limited on June 12, 1991 at Calcutta, West Bengal, India as a private limited company under the Companies Act, 1956. Our Company's name was changed from Sanni Collection Private Limited to Grameen Financial Services Private Limited and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the Registrar of Companies, West Bengal on March 14, 2008. Our Company's name was changed to Grameen Koota Financial Services Private Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Bangalore on November 13, 2014. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 27, 2017 and the name of our Company was changed to Grameen Koota Financial Services Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies, Karnataka at Bengaluru ("**RoC**") on December 18, 2017. Subsequently, pursuant to a resolution passed by our shareholders at the EGM held on January 2, 2018, the name of our Company was changed to CreditAccess Grameen Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 12, 2018. Our Company is a NBFC-MFI and holds a certificate of registration dated January 19, 2018 bearing registration number B - 02.00252 issued by the Reserve Bank of India ("**RBI**") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the Reserve Bank of India Act, 1934. For more information about our Company including details regarding changes in Registered Office, please see "*General Information*" and "*History and Main Objects*" on pages 53 and 148.

Registered Office and Corporate Office: New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka;
Tel.: +91 80 2263 7300; **Fax:** +91 80 2664 3433;
CIN: L51216KA1991PLC053425; **PAN**: AAECS7201G; **Website:** www.creditaccessgrameen.in; **Email:** csinvestors@cagrameen.in
Company Secretary and Chief Compliance Officer: Mahadev Prakash Jayakumar Matada; **Tel.:** +91 80 2263 7300; **Email:** cs@cagrameen.in
Chief Financial Officer*:* S. Balakrishna Kamath; **Tel**: +91 80 2263 7300; **Email**: csinvestors@cagrameen.in

PUBLIC ISSUE BY THE COMPANY OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("NCDs" OR "DEBENTURES"), FOR AN AMOUNT OF ₹ 400 CRORE ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION OF UP TO ₹ 600 CRORE AMOUNTING TO ₹1,000 CRORE ("TRANCHE II ISSUE LIMIT") ("TRANCHE II ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹1,500 CROREAND IS BEING OFFERED BY WAY OF THIS TRANCHE II PROSPECTUS DATED AUGUST 18, 2023 CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF TRANCHE II ISSUE ("TRANCHE II PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED NOVEMBER 4, 2022 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, KARNATAKA AT BENGALURU ("ROC") , STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS AND TRANCHE II PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS").

THIS TRANCHE II ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED (THE "COMPANIES ACT, 2013") TO THE EXTENT NOTIFIED AND THE SEBI MASTER CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTER

Our Promoter is CreditAccess India B.V. (formerly, CreditAccess India N.V.); **Email**: info@creditaccess.com; **Tel**: +31 20 808 0654. For details of our Promoter, see *"Our Promoter"* on page 168.

GENERAL RISKS

Investment in debt securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapters *"Risk Factor"* and *"Material Developments"* on pages 20 and 187, respectively, before making an investment in such Issue. This Tranche II Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupo4n Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please see "*Issue Related Information*" on page 326.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated IND AA-/Stable for an amount of ₹1500 Crores by India Ratings & Research Private Limited by way of their rating letter dated August 4, 2022 and further revalidated vide letter dated September 8, 2022 and further affirmed vide letter dated April 24, 2023. Ratings issued by India Ratings will continue to be valid for the life of the instrument unless withdrawn or reviewed India Ratings & Research Private Limited, in terms of the rating agreement dated July 19, 2022. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. These ratings are subjected to a periodic review during which they may be raised, affirmed, lowered, withdrawn, or placed on Rating Watch at any time on the basis of factors such as new information. The rating should be evaluated independently of any other rating. The Credit Rating Agency's website will have the latest information on all its outstanding ratings. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rating, rating rationale and press release for the above ratings, see "*General Information*" on page 53 and Annexure A of this Tranche II Prospectus.

LISTING

The NCDs offered through this Tranche II Prospectus are proposed to be listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"). Our Company has received an 'in-principle' approval from NSE *vide* their letter no. NSE/LIST/D/2022/0142 dated October 3, 2022 and from BSE by way of its letter bearing reference number DCS/BM/PI-BOND/013/22-23 dated October 3, 2022. NSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated September 23, 2022 has been filed with NSE and BSE, pursuant to the provisions of the SEBI NCS Regulations and was open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of the Draft Shelf Prospectus with the Stock Exchanges, i.e. up to October 3, 2022 (until 5:00 p.m.). No comments were received on the Draft Shelf Prospectus till 5p.m. on October 3, 2022.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
A.K. Capital Services Limited 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra **Tel**: +91 22 6754 6500 **Email:** cagl.ncd2022@akgroup.co.in **Website:** www.akgroup.co.in **Contact person:** Aanchal Wagle/ Milan Soni	**KFIN Technologies Limited** Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana **Tel**: +91 40 6716 2222 **Email**: cagl.ncdipo@kfintech.com **Website**: www.kfintech.com **Contact Person**: M Murali Krishna	CIN: U74999PN1997PLC110262 **Catalyst Trusteeship Limited*** GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud Pune – 411 038, Maharashtra **Tel**.: +91 22 4922 0555 **Email**: ComplianceCTL-Mumbai@ctltrustee.com **Website**: www.catalysttrustee.com **Contact Person**: Umesh Salvi
CREDIT RATING AGENCY	**JOINT STATUTORY AUDITORS**	
India Ratings & Research Private Limited Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra, (E), Mumbai – 400 051 **Tel**: +91 9920988970 **Email**: aishwarya.khandelwal@indiaratings.co.in **Website**: www.indiaratings.co.in **Contact Person**: Aishwarya Khandelwal	**Deloitte Haskins & Sells** ASV N Ramana Tower, 52, Venkatnarayana Road, T. Nagar, Chennai – 600 017 **Tel**: + 91 44 6688 5000 **Email**: sgk@deloitte.com **Contact Person**: G. K. Subramaniam	**PKF Sridhar & Santhanam LLP** T8 & T9, Third Floor Gem Plaza, 66, Infantry Road Bangalore – 560 001, India **Tel**: +91 80 4130 7244 **Email**: admin@pkfindia.in **Contact Person**: Seethalakshmi M

ISSUE PROGRAMME**

Tranche II Issue opens on: Thursday, August 24, 2023	**Tranche II Issue Closes on**: Wednesday, September 6, 2023

**Catalyst Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated June 7, 2022 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche II Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Tranche II Issue.*

***The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Tranche II Prospectus, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the EBI Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations and subject to not exceeding thirty days from filing this Tranche II Prospectus with ROC. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche II Issue Period. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Tranche II Issue Closing Date. For further details please see "General Information" on page 53.*

A copy of the Shelf Prospectus and this Tranche II Prospectus shall be filed with the Registrar of Companies, Karnataka at Bengaluru in terms of Section 26 and Section 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" on page 432.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Tranche II Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Tranche II Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

Unless the context otherwise indicates, all references in this Tranche II Prospectus to "we" or "us" or "our" are to our Company i.e., CreditAccess Grameen Limited. Unless the context otherwise indicates, all references in this Tranche II Prospectus to "Subsidiary" shall mean Subsidiary of our Company namely CreditAccess India Foundation.

The words and expressions used in this Tranche II Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

General Terms

Term	Description
"CA Grameen" or "Company" or "the Issuer"	CreditAccess Grameen Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered Office at New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantapa, Bengaluru 560 070, Karnataka, India.
"CAI" or "Promoter"	CreditAccess India B.V (formerly CreditAccess India N.V.) is a company with limited liability governed by the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, registered with the Commercial Register of the Dutch Chamber of Commerce under number 60281758
MMFL	Madura Micro Finance Limited

Company Related Terms

Term	Description
Articles or Articles of Association or AOA	Articles of Association of our Company
Audit Committee	Audit Committee of the Board of Directors of our Company, constituted in accordance with applicable laws
Audited Consolidated Financial Statements	Collectively, the Audited Consolidated Financial Statements for Fiscal 2023, Audited Consolidated Financial Statements for Fiscal 2022 and Audited Consolidated Financial Statements for Fiscal 2021
Audited Consolidated Financial Statements for Fiscal 2023	The audited consolidated financial statements of our Company and its subsidiary for the year ended March 31, 2023, prepared in accordance with Ind AS and other relevant provisions of the Companies Act, 2013, which have been approved by the Board of Directors of our Company at their meeting held on May 16, 2023, audited by Joint Statutory Auditors Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP comprising of the statement of assets and liabilities as of March 31, 2023, the statement of profit and loss and the statement of cash flow for the financial year ended March 31, 2023, including notes and schedules thereto. The comparative numbers for the previous years (i.e. for Fiscal 2022 and Fiscal 2021) included in the statement of assets and liabilities for Fiscal 2023 and the comparative numbers for the previous year (i.e. for Fiscal 2022) included in the statement of profit and loss and the statement of cash flow for the financial year 2023, have been restated to give effect to the Scheme of Amalgamation.
Audited Consolidated Financial Statements for Fiscal 2022	The audited consolidated financial statements of Company and its subsidiaries for the year ended March 31, 2022, prepared in accordance with Ind AS and other relevant provisions of the Companies Act, 2013, which have been approved by the Board of Directors of our Company at their meeting held on May 12, 2022, audited by Joint

Term	Description
	Statutory Auditors Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP comprising of the statement of assets and liabilities as of March 31, 2022, the statement of profit and loss and the statement of cash flow for the financial year ended March 31, 2022, including notes and schedules thereto.
Audited Consolidated Financial Statements for Fiscal 2021	The audited consolidated financial statements of our Company and its subsidiaries for the year ended March 31, 2021, prepared in accordance with Ind AS and other relevant provisions of the Companies Act, 2013, which have been approved by the Board of Directors of our Company at their meeting held on May 6, 2021, audited by Deloitte Haskins & Sells comprising of the statement of assets and liabilities as of March 31, 2021, the statement of profit and loss and the statement of cash flow for the financial year ended March 31, 2021, including notes and schedule thereto.
Audited Standalone Financial Statements	Collectively, the Audited Standalone Financial Statements for Fiscal 2023, Audited Standalone Financial Statements for Fiscal 2022 and Audited Standalone Financial Statements for Fiscal 2021
Audited Standalone Financial Statements for Fiscal 2023	The audited standalone financial statements of our Company for the year ended March 31, 2023, prepared in accordance with Ind AS and other relevant provisions of the Companies Act, 2013, which have been approved by the Board of Directors of our Company at their meeting held on May 16, 2023, audited by Joint Statutory Auditors Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP comprising of the statement of assets and liabilities as of March 31, 2023, the statement of profit and loss and the statement of cash flow for the financial year ended March 31, 2023, including notes and schedules thereto. The comparative numbers for the previous years (i.e. for Fiscal 2022 and Fiscal 2021) included in the statement of assets and liabilities for Fiscal 2023 and the comparative numbers for the previous year (i.e. for Fiscal 2022) included in the statement of profit and loss and the statement of cash flow for the financial year 2023, have been restated to give effect to the Scheme of Amalgamation.
Audited Standalone Financial Statements for Fiscal 2022	The audited standalone financial statements of Company for the year ended March 31, 2022, prepared in accordance with Ind AS and other relevant provisions of the Companies Act, 2013, which have been approved by the Board of Directors of our Company at their meeting held on May 12, 2022, audited by Joint Statutory Auditors Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP comprising of the statement of assets and liabilities as of March 31, 2022, the statement of profit and loss and the statement of cash flow for the financial year ended March 31, 2022, including notes and schedules thereto.
Audited Standalone Financial Statements for Fiscal 2021	The audited standalone financial statements of our Company for the year ended March 31, 2021, prepared in accordance with Ind AS and other relevant provisions of the Companies Act, 2013, which have been approved by the Board of Directors of our Company at their meeting held on May 6, 2021, audited by Deloitte Haskins & Sells comprising of the statement of assets and liabilities as of March 31, 2021, the statement of profit and loss and the statement of cash flow for the financial year ended March 31, 2021, including notes and schedule thereto.
Audited Financial Statements	Collectively, Audited Consolidated Financial Statements and Audited Standalone Financial Statements
Auditors or Statutory Auditors or Joint Auditors or Joint Statutory Auditors	The current joint statutory auditors of our Company, Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP for Fiscal 2022 and Fiscal 2023.
Board or Board of Directors or our Board or our Board of Directors	Board of Directors of our Company or any duly constituted committee thereof.
Corporate Social Responsibility & Environment, Social & Governance Committee	Corporate Social Responsibility & Environment, Social & Governance committee of the Board of Directors of our Company, constituted in accordance with applicable laws.
Committee	A committee constituted by the Board, from time to time.
Directors	Directors of our Company
EBI Committee	Executive, Borrowings & Investment Committee of the Board of Directors of our Company, constituted by Board of Directors of the Company

Term	Description
Equity Shares	Equity shares of the Company of face value of ₹10 each
ESOPs	Employee stock options
Gross Book	Total assets under management
Independent Director(s)	The Independent Director(s) on our Board, in terms of Section 2(47), Section 149(6) of the Companies Act, 2013 and 16(1)(b) of the SEBI Listing Regulations
India Ratings	India Ratings & Research Private Limited
JLG	Joint Liability Group
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in this Tranche II Prospectus and appointed in accordance with Section 203, as defined under Section 2(51) of the Companies Act, 2013
Limited Review Financials / Limited Review Financial Results/ Unaudited Financial Results	The Unaudited Standalone Financial Results and Unaudited Consolidated Financial Results for the quarter ended June 30, 2023 prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 and presented in accordance with the requirements of the SEBI LODR Regulations.
Loan Book	Loan book containing loans and advances to the borrowers.
Loans Book (Net)	Loan Book net of expected credit loss allowance.
"MoA" or "Memorandum" or "Memorandum of Association"	Memorandum of Association of our Company
Nomination and Remuneration Committee	Nomination and Remuneration Committee of the Board of Directors of our Company, constituted in accordance with applicable laws
Net worth	As defined in Section 2(57) of the Companies Act, 2013, as follows: "*Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*"
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office / Corporate Office	The registered office and corporate office of our Company is situated at New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantapa, Bengaluru 560 070, Karnataka, India.
Risk Management Committee	Risk Management Committee of the Board of Directors
RoC/ Registrar of Companies	Registrar of Companies, Karnataka at Bengaluru
Shareholders	The holders of the Equity Shares of the Company from time to time
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee as constituted by the Board of Directors, constituted in accordance with applicable laws
Total Borrowing(s)/ Total Debt	Debt securities plus borrowings (other than debt securities), subordinated liabilities and deposits.

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of this Tranche II Prospectus
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
A. K. Capital/ Lead Manager	A. K. Capital Services Limited
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
"Allotment", "Allot" or "Allotted"	Unless the context otherwise requires, the issue and allotment of NCDs to the successful Applicants pursuant to the Issue

Term	Description
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue
"Applicant" or "Investor"	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Shelf Prospectus, this Tranche II Prospectus, the Abridged Prospectus and the Application Form for the Tranche II Issue.
"Application" or "ASBA Application" or "ASBA"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of up to ₹ 500,000 which will be considered as the application for Allotment in terms of the Shelf Prospectus and this Tranche II Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue
Application Form / ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of Shelf Prospectus and this Tranche II Prospectus.
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to ₹ 500,000
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018
Banker(s) to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank
Base Issue Size	₹ 400 Crore
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in "*Issue Procedure – Basis of Allotment*" on page 380.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.

Term	Description
	Or as specified under this Tranche II Prospectus.
Category II (Non-Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; and • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. Or as specified under this Tranche II Prospectus.
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in the Issue or as specified under this Tranche II Prospectus.
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1,000,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism or as specified under this Tranche II Prospectus.
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the SEBI Master Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Consortium Agreement	Agreement dated August 17, 2023, entered amongst our Company, the Lead Manager and the Consortium Member
Consortium Member	A. K. Stockmart Private Limited
Consortium / Members of the Consortium / Members of Syndicate (each individually, a Member of the Consortium)	The Lead Manager and the Consortium Member
Coupon/ Interest Rate	Please see the section titled "*Terms of the Issue*" on page 332.
Credit Rating Agency	India Ratings & Research Private Limited
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 110% security cover for the principal amount outstanding under the NCDs and the interest due thereon issued pursuant to the Issue.
Debenture Trustee/ Trustee	Trustees for the NCD holders in this case being Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement dated September 19, 2022 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue, is agreed between our Company and the Debenture Trustee
Deemed Date of Allotment	The date on which the EBI Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the EBI Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place

Term	Description
	on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in this Tranche II Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other weblink as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Shelf Prospectus and this Tranche II Prospectus following which the NCDs will be Allotted in the Tranche II Issue
Designated Intermediaries	Collectively, members of the Consortium, Sub-Consortium/agents, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs who are authorised to collect Application Forms from the Applicants in the Tranche II Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager, Members of the Consortium, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the UPI Mechanism Circular.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms available on the websites of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com and updated from time to time.
Designated Stock Exchange	The designated stock exchange for the Issue, being the National Stock Exchange of India Limited
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
Draft Shelf Prospectus	The Draft Shelf Prospectus dated September 23, 2022 filed with the Stock Exchanges for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Interest Payment Date / Coupon Payment Date	Please see the section titled "*Terms of the Issue*" on page 332.
Issue	Public Issue by the Company of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value ₹ 1,000 Each ("**NCDs**" or "**Debentures**"), for an amount aggregating up to ₹1,500 crores ("**Shelf Limit**"), hereinafter referred to as the "Issue" pursuant to the Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any tranche (each such tranche of issuance, a "Tranche Issue") which should be read with the Shelf Prospectus. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, The Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Master Circular.
Issue Agreement	The Issue Agreement dated September 23, 2022 entered between the Company and A.K. Capital Services Limited, the Lead Manager to the Issue
Lead Manager	A.K. Capital Services Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company
Market Lot	1 (One) NCD

Term	Description
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
"Maturity Date" or "Redemption Date"	Please see the section titled "*Terms of the Issue*" on page 332.
NCDs / Debentures	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, offer through the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche II Prospectus.
NCD Holders/ Debenture Holder	Any debenture holder who holds the NCDs issued pursuant to the Issue and whose name appears on the beneficial owners list provided by the Depositories.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Public Issue Account	An account to be opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts on the Designated Date.
Public Issue Account and Sponsor Bank Agreement	Agreement dated August 17, 2023 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Manager for the appointment of the Sponsor Bank in accordance with the SEBI Master Circular for collection of the Application Amounts from ASBA Accounts and where applicable, refunds from the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	ICICI Bank Limited
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date under this Tranche II Prospectus as may be determined by the EBI Committee. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date.
Recovery Expense Fund	A fund created by our Company with the Designated Stock Exchange in the manner as specified by SEBI Debenture Trustee Master Circular as amended from time to time which is equal to 0.01% of the issue size, subject to a maximum deposit of ₹25,00,000 at the time of making the application for listing of NCDs.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made.
Redemption Amount	Please see the section titled "*Terms of the Issue*" on page 332.
Redemption Date	Please see the section titled "*Terms of the Issue*" on page 332.
Refund Bank	ICICI Bank Limited
Register of NCD holders	The register of NCD holders maintained by the Issuer/RTA in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar
Registrar Agreement	Agreement dated September 13, 2022 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Registrar to the Issue or Registrar	KFIN Technologies Limited
Resident Individual	An individual who is a person resident in India as defined in the FEMA

Term	Description
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue
Security	The principal amount of the NCDs to be issued in terms of this Tranche II Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by an exclusive charge by way of hypothecation of identified book debts of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of 1.10 times of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date.
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA & https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Series/Option	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled "*Issue Related Information*" beginning on page 326.
Shelf Limit	The aggregate limit of the Issue, being ₹ 1,500 crore to be issued pursuant to the Draft Shelf Prospectus, the Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated November 4, 2022 filed by our Company with the RoC, SEBI, BSE and NSE in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations. The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013.
"Specified Cities" or "Specified Locations"	Bidding centres where the Members of the Syndicate shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to ₹ 5,00,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular and as specified in this Tranche II Prospectus.
"Stock Exchanges" or "Exchanges"	NSE and BSE
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries
Syndicate ASBA Application Locations	ASBA Applications through the Lead Manager, Consortium Member, the Trading Members of the Stock Exchanges or the Designated Intermediaries.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tenor	Please see the section titled "*Terms of the Issue*" on page 332.
Trading Members	Intermediaries registered with a lead broker or a sub-broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange(s) under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange(s) from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange(s).
Tranche II Issue	Public Issue by the Company of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each ("NCDs" or "Debentures"), for an amount of ₹ 400 crore ("**Base Issue Size**") with a green shoe option of up to ₹ 600 crore amounting to

Term	Description
	₹1,000 crore (“**Tranche II Issue Limit**”) (“**Tranche II Issue**”) which is within the Shelf Limit of ₹1,500 crore and is being offered by way of this Tranche II Prospectus dated August 18, 2023 containing inter alia the terms and conditions of Tranche II Issue (“**Tranche II Prospectus**”), which should be read together with the Shelf Prospectus dated November 04, 2022 (“**Shelf Prospectus**”) filed with the Registrar of Companies, Karnataka at Bengaluru (“**ROC**”), National Stock Exchange of India Limited (“**NSE**”), BSE Limited (“**BSE**”) and securities and exchange board of India (“**SEBI**”). the Shelf Prospectus and Tranche II Prospectus constitutes the prospectus (“**Prospectus**”).
Tranche II Issue Closing Date	Wednesday, September 6, 2023
Tranche II Issue Opening Date	Thursday, August 24, 2023
Tranche II Issue Period	The period between the Tranche II Issue Opening Date and the Tranche II Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms as provided in the Tranche II Prospectus
Transaction Documents	Transaction documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche II Prospectus(es) read with any notices, corrigenda, addenda thereto, Abridged Prospectus, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Deed of Hypothecation, Debenture Trust Deed, Tripartite Agreements, Consortium Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, “*Material Contracts and Documents for Inspection*” on page 432.
Tranche II Prospectus	This Tranche II Prospectus dated August 18, 2023 containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions in respect of Tranche II Issue.
Tripartite Agreements	Tripartite Agreement dated April 10, 2014 entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated December 26, 2017 entered into between our Company, the Registrar to the Issue and CDSL for offering demat option to the NCD Holders.
“UPI” or “UPI Mechanism”	Unified Payments Interface mechanism in accordance with SEBI Master Circular to block funds for application value up to ₹ 5,00,000 submitted through intermediaries, namely the Registered Stock brokers, Consortium Member, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹ 500,000 for issues of debt securities pursuant to SEBI Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time.
“UPI Mandate Request” or “Mandate Request”	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.
Wilful Defaulter(s)	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a person or a company who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes a company whose director or promoter is categorized as a wilful defaulter.
Working Day	Working day means all days on which commercial banks in Mumbai and Bangalore, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai and Bangalore are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

Conventional and General Terms or Abbreviations

Term/ Abbreviation	Description/Full Form
"₹", "Rupees", "INR" or "Indian Rupees"	The lawful currency of the Republic of India
"US$", "USD", and "U.S. Dollars"	The lawful currency of the United States of America
ACH	Automated Clearing House
AGM	Annual General Meeting
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AMC	Asset Management Company
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ASBA	Application Supported by Blocked Amounts
AUM	Assets Under Management
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
BSE	BSE Limited
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
CRIF	CRIF High Mark Credit Information Services Private Limited
CRIF Report	MicroLend Quarterly Publication on Microfinance Lending Volume XIX Mar 2022 by CRIF; and MicroLend Quarterly Publication on Microfinance Lending Volume XXII Mar 2023 by CRIF
CrPC	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories	CDSL and NSDL
Depositories Act	Depositories Act, 1996
Depository(ies)	NSDL and /or CDSL
DIN	Director Identification Number
"DP" or "Depository Participant"	Depository Participant as defined under the Depositories Act, 1996
DT Circular	Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 issued by SEBI on November 3, 2020, as amended from time to time
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EIR	Effective interest rate
EOW	Economic Offences Wing
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations/ FEMA20I	FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.

Term/ Abbreviation	Description/Full Form
"Financial Year", "Fiscal" or "FY" or "for the year ended"	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GKFSL	Grameen Koota Financial Services Limited
GKFSPL	Grameen Koota Financial Services Private Limited
"Government"	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
ICRA	ICRA Limited
ICRA Industry Reports	• ICRA Report on "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023 • ICRA Report on "Indian Microfinance Industry: RBI's regulatory changes to create level playing field and provide more flexibility to NBFC-MFIs; however, increased indebtedness limit poses risk of overleveraging" dated March 2022
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
"Income Tax Act" or "IT Act"	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules
Ind AS Rules	Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013
India	Republic of India
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
LEI	Legal Entity Identifier
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MFIN	Microfinance Institutions Network
MFIN Report	Issue 45 Micrometer Data report for data as on March 31, 2023
MLD	Market Linked Debentures
MTM	Mark to market
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
NAV	Net Asset Value
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
NRI	Non-resident Indian
NSE	National Stock Exchange India Limited
NSDL	National Securities Depository Limited
p.a.	Per annum
PAN	Permanent Account Number

Term/ Abbreviation	Description/Full Form
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PMLA	Prevention of Money Laundering Act, 2002
PP MLD	Principal Protected Market Linked Debentures
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBI Master Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended from time to time.
RERA	Real Estate Regulatory Authority
RERAD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SCRA	Securities Contracts Regulation Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI Debenture Trustee Master Circular	SEBI circular with reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated 31 March 2023 as may be amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended and circulars issued thereunder
SEBI Master Circular	SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021, as amended
TDS	Tax Deducted at Source
Trademarks Act	Indian Trademarks Act, 1999

Technical and Industry Related Terms

Term/Abbreviation	Description/Full Form
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
LTV	Ratio of loan to the collateral value
MFI	Microfinance institutions
Middle Layer	The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).
NPA	Non-Performing Assets
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically important Non-Deposit taking NBFC
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any

Term/Abbreviation	Description/Full Form
Prudential Norms	Prudential norms as provided under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
MSME	Micro, Small and Medium Enterprises
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: a. preference shares other than those which are compulsorily convertible into equity; b. revaluation reserves at discounted rate of fifty five percent; c. General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; d. hybrid debt capital instruments; e. subordinated debt; perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital
Upper Layer	The Upper Layer shall comprise of those NBFCs which are specifically identified by the Reserve Bank vide notification dated DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021.

Notwithstanding the foregoing, the terms defined as part of "General Information", "Risk Factors" "Industry Overview", "Regulations and Policies", "Statement of Possible Tax Benefits", "Summary of Key Provisions of Articles of Association", "Financial Information" and "Other Regulatory and Statutory Disclosures" on pages 53, 20, 89, 172, 80, 383, 186 and 299, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections "Our Business", "Risk Factors", "Industry Overview" and "Regulations and Policies", on pages 117, 20, 89 and 172, respectively, shall have the meaning ascribed to them hereunder.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Tranche II Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "we", "us", "our", "CreditAccess Grameen Limited" and "our Company" are to CreditAccess Grameen Limited, references to "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Tranche II Issue. Unless stated otherwise, all references to page numbers in this Tranche II Prospectus are to the page numbers of this Tranche II Prospectus.

All references in this Tranche II Prospectus to "India" are to the Republic of India and its territories and possessions. All references to the "Government" or "State Government" are to Government of India, Central or State, as applicable.

Presentation of Financial Information

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Tranche II Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

The Reformatted Financial Information (as defined under the Shelf Prospectus) was disclosed in the Shelf Prospectus and consisted of Reformatted Standalone Financial Information (as defined under the Shelf Prospectus) and Reformatted Consolidated Financial Information (as defined under the Shelf Prospectus). The Reformatted Standalone Financial Information was prepared from the Audited Standalone Financial Statements for Fiscal 2022, Audited Standalone Financial Statements for Fiscal 2021 and audited standalone financial statements for Fiscal 2020 prepared in accordance with Ind AS, audited by S.R. Batliboi & Co. LLP and which have been approved by the Board of Directors of our Company at their meeting dated May 30, 2020. The Reformatted Consolidated Financial Information was prepared from the Audited Consolidated Financial Statements for Fiscal 2022, Audited Consolidated Financial Statements for Fiscal 2021 and audited consolidated financial statements for Fiscal 2020 prepared in accordance with Ind AS, audited by S.R. Batliboi & Co. LLP and which have been approved by the Board of Directors of our Company at their meeting held on May 30, 2020. The audited consolidated financial statements and audited standalone financial statements and the reports thereon did not constitute a part of the Shelf Prospectus.

Pursuant to the amendments in SEBI NCS Regulations by way of notification dated July 5, 2023, the Audited Standalone Financial Statements for Fiscal 2023, Audited Standalone Financial Statements for Fiscal 2022 and Audited Standalone Financial Statements for Fiscal 2021 along with auditors reports thereon dated May 16, 2023 and May 12, 2022, respectively issued by our by Joint Statutory Auditors Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP and dated May 6, 2021, issued by our Previous Statutory Auditors, Deloitte Haskins & Sells, have been included in this Tranche II Prospectus. Further, the Audited Consolidated Financial Statements for Fiscal 2023, Audited Standalone Financial Statements for Fiscal 2022 and Audited Standalone Financial Statements for Fiscal 2021 along with auditors reports thereon dated May 16, 2023 and May 12, 2022, respectively issued by our by Joint Statutory Auditors Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP and dated May 6, 2021, issued by our Previous Statutory Auditors, Deloitte Haskins & Sells, have also been included in this Tranche II Prospectus.

Pursuant to the Scheme of Amalgamation, MMFL, our erstwhile subsidiary, merged with our Company w.e.f. February 15, 2023. Due to the Scheme of Amalgamation having been made effective from the Appointed date i.e. April 1, 2020, the financial statements of our Company for the previous years (i.e. Fiscal 2022 and 2021) have been restated to give effect to the merger. For details please see Note 45 to the Audited Standalone Financial Statements for Fiscal 2023 and Note 39 to the Audited Consolidated Financial Statements for Fiscal 2023, included in the section "*Financial Information*" on page 186. Accordingly, the figures reported for

1. Fiscal 2022 on standalone and consolidated basis in the "*Our Business - Statement of Key Operational and Financial Parameters*" are based on comparative previous year's numbers included in the Audited Standalone Financial Statements for Fiscal 2023 and Audited Consolidated Financial Statements for Fiscal 2023, respectively and are not comparable with Audited Standalone Financial Statements for Fiscal 2022 and Audited Consolidated Financial Statements for Fiscal 2022.

2. Fiscal 2021 on standalone and consolidated basis in the "*Our Business - Statement of Key Operational and Financial Parameters*" with respect to Balance sheet, are as per comparative figures of Audited Standalone Financial Statements for Fiscal 2023 and Audited Consolidated Financial Statements for Fiscal 2023, respectively and with respect to profit and loss and cash flows, are arrived at by combining the audited financial statements as at and for the year ended March 31, 2021 of CAGL and audited financial statements as at and for the year ended March 31, 2021 of erstwhile MMFL and the accounting adjustments required as per the Scheme of Amalgamation and corresponding tax adjustment unless otherwise stated separately.

Accordingly, some numbers for Fiscal 2022 and Fiscal 2021 included in the "*Our Business - Statement of Key Operational and Financial Parameters*" are not comparable with Audited Standalone Financial Statements for Fiscal 2022, Audited Standalone Financial Statements for Fiscal 2021, Audited Consolidated Financial Statements for Fiscal 2022 and Audited Consolidated Financial Statements for Fiscal 2021.

Our Audited Consolidated Financial Statements for Fiscal 2023 and Audited Consolidated Financial Statements for Fiscal 2022 consolidates the operations of erstwhile MMFL for full financial year.

The Unaudited Financial Results of our Company for the quarter ended June 30, 2023 have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there-under and other accounting principles generally accepted in India and Regulation 33 and 52 of the SEBI Listing Regulations. For further details see "*Financial Information*" on page 186. The Unaudited Financial Results for quarter ended June 30, 2023 is not indicative of full year results and are not comparable with annual financial information.

Unless stated otherwise or unless the context requires otherwise, the financial data as at and for the year ended March 31, 20223, March 31, 2022 and March 31 2021 used in this Tranche II Prospectus is derived from our Audited Consolidated Financial Statements and the financial data for the quarter ended June 30, 2023 used in this Tranche II Prospectus is derived from Unaudited Consolidated Financial Results.

Unless stated otherwise, macroeconomic and industry data used throughout this Tranche II Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Tranche II Prospectus is reliable, such data has not been independently verified. Further, the extent to which the market and industry data presented in this Tranche II Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

Currency and Unit of Presentation

In this Tranche II Prospectus, all references to 'Rupees'/'₹'/'INR'/ 'Rs.' are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Tranche II Prospectus, all figures have been expressed in 'in crores'. All references to 'million/million/mn.' Refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'lakhs/lacs/lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crores'.

Certain figures contained in this Tranche II Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Any industry and market data used in this Tranche II Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including ICRA, MFIN and CRIF, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this

Tranche II Prospectus is reliable, such data has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Tranche II Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Given that we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Manager have independently verified this data, and neither we nor the Lead Manager make any representation regarding the accuracy of such data. Further, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Manager can assure potential investors as to their accuracy.

General Risk

Investment in NCDs involve a degree of risk and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 20. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

Exchange Rates

The exchange rates Rupees (₹) vis-à-vis of USD, as of June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, are provided below:

Currency	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.04	82.22	75.81	73.50

Source: *https://www.fbil.org.in/#/home* and *https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx*

In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Tranche II Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, cashflows, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche II Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions, results of operations and cashflows to differ from our expectations include, but are not limited to, the following:

- Our geographical presence is majorly concentrated in Karnataka, Maharashtra and Tamil Nadu which may have an adverse effect on our business, results of operations, financial condition and cash flows.

- The unsecured microfinance loans are susceptible to various operational and credit risks which may result in increased levels of NPAs, thereby adversely affecting our business and financial condition.

- An increase in our portfolio of non-performing assets and/ or our provisions may materially and adversely affect our business, results of operations and cashflows.

- Volatility in interest rates could have a material adverse effect on our net interest income, net interest margin and our financial performance.

- We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition.

- Downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest margin and our results of operations and cashflows; Certain conditions and restrictions in terms of our financing arrangements, could restrict our ability to conduct our business and operations in the manner we desire.

- We are subject to certain conditions and restrictions in terms of our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire. In addition, on certain occasions in the past, we have been unable to comply with certain financial covenants in our financing documents.

- There can be no assurance that we will be able to access capital as and when we need it for growth.

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 20.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled "*Industry Overview*", "*Our Business*" and "*Legal and Other Information*" on pages 89, 117 and 290. The forward-looking statements contained in this Tranche II Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations, cashflows, or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors, its KMPs and officers, nor any of their respective affiliates or associates or the Lead Manager have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Tranche II Prospectus, including the chapters "Our Business" and "Financial Statements" on pages 117 and 186, respectively, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Additional risks and uncertainties, which are currently unknown or now deemed immaterial, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations and cash flows. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

If any one of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occurs, the Company's business, financial conditions and results of operations and cash flows could suffer and, therefore, the trading price of the Company's NCDs could decline and/or the Company's ability to meet its obligations in respect of the NCDs could be affected and you may lose all or part of your interest and/or redemption amounts. More than one risk factor may have simultaneous affect with regard to the NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the NCDs and/or the Company's ability to meet its obligations in respect of the NCDs.

The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Tranche II Prospectus. This Tranche II Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in the Tranche II Prospectus.

This Tranche II Prospectus contains forward looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Tranche II Prospectus. Certain information in this section includes extracts from the RBI bulletin July 2023, Volume LXXVII Number 7, Issue 45 Micrometer Data as on 31st March 2023 by Micro-Finance Institutions Network, ICRA Industry Reports, MFIN Report and CRIF Report. Neither our Company, the Lead Manager, the Debenture Trustee, nor any other person connected with the Issue has independently verified such industry and third-party information. For more information, please see "Industry Overview" on page 89.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Unless otherwise stated or unless context requires otherwise, the financial information used in this section is derived from and should be read in conjunction with the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results as included in this Tranche II Prospectus. For further details on the financial information used in this section, please refer to "Presentation of Financial Information" under chapter "Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation." on page 15.

In this section any reference to "Company", "We" or "us" or "Our" refers to CA Grameen and its subsidiary on a consolidated basis.

INTERNAL RISK FACTORS

Risks Relating to our Business.

1. ***While we have presence in over 14 states and 1 union territory, our operations are majorly concentrated in Karnataka, Maharashtra and Tamil Nadu. Any adverse developments in these states could have an adverse effect on our business, results of operations, financial condition and cash flows.***

   As of June 30, 2023, we conducted our operations through 1,826 branches in India, of which 319 branches were located in Karnataka, 306 branches were located in Maharashtra and 383 branches were located in Tamil Nadu. As of June 30, 2023, 33.03% of our Gross AUM originated in Karnataka, 20.56% of our Gross AUM originated in Maharashtra and 19.86% of our Gross AUM originated in Tamil Nadu. In the event of a regional slowdown in the economic activity in these states or any other developments including health epidemics, political unrest, disruption or sustained economic downturn that make our products in these states less beneficial, we may experience an adverse impact on our financial condition, cash flows and results of operations, which are largely dependent on the performance and other prevailing conditions affecting the economies of these states. The market for our products or general business conditions in these states may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. There can be no assurance that the demand for our products will grow or will not decrease in the future in these states.

2. ***Microfinance loans are unsecured and are susceptible to various operational and credit risks which may result in increased levels of NPAs, thereby adversely affecting our business, results of operation, cash flows and financial condition.***

The focus customer segment for our micro-loan is women with an annual household income of ₹3,00,000 or less as per the new microfinance regulations announced by RBI in March 2022. Our customers typically have limited sources of income, savings and credit histories and as a result, are usually adversely affected by declining economic conditions. Further, our JLG Customers do not provide any collateral or security for their borrowings as the RBI, as per the new microfinance regulations, has mandated that microfinance loans should be collateral free to be eligible for classification as "Qualifying Assets". Such customers generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities such as floods or droughts. Furthermore, as there is typically limited financial information available about our focus customer segment and many of our customers do not have any credit history supported by tax returns, bank or credit card statements, statements of loan exposures from players operating in the unorganized segments or other related documents, it is difficult to consistently carry out credit risk analyses on our customers.

Further, we rely primarily on non-traditional guarantee mechanisms rather than any tangible assets such as collateral. Our loans typically involve a joint liability mechanism whereby borrowers form an informal joint liability group ("JLG") (typically comprising between five to ten members) and provide joint and several guarantees for loans obtained by each member of the group. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the JLG in the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities or forced migration. Further, while we have our own due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure low delinquency rates. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. In addition, the microfinance business is susceptible to various political and social risks, including any adverse publicity or litigation relating to the microfinance sector (such as the public interest litigation filed against all MFIs in Maharashtra which has been adjourned indefinitely (as described in "*Outstanding Litigations"* on page 290), public criticism of the microfinance sector, the introduction of a stringent regulatory regime, and/ or religious beliefs relating to loans and interest payments, which adversely affect repayment by our customers and may have an adverse effect on our business prospects and future financial performance.

Due to the underlying profile of our customers, we may, in the future, experience increased levels of non- performing assets and related provisions and write-offs, which would materially and adversely impact our business and results of operations. We cannot assure you that our risk management policies will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment and risk management policies could adversely affect our credit portfolio, which could have a material and adverse effect on our business, results of operations, cash flows and financial condition.

3. ***An increase in our portfolio of non-performing assets and/ or our provisions may materially and adversely affect our business and results of operations.***

Our management of credit risk involves having appropriate credit policies, underwriting standards, approval processes, loan portfolio monitoring, collection and remedial management, provisioning policies and an overall architecture for managing credit risk. If the credit quality of our customers, the growth of our loan portfolio or our provisioning levels deteriorate, it could have an adverse effect on our business, results of operations, cash flows and financial condition. Further, our credit monitoring and risk management policies and procedures may not be accurate, properly designed, or appropriately implemented or complied with by our customers, and we could suffer material credit losses. In addition, even if our policies and procedures are accurate and appropriate, we may not be able to anticipate future economic or financial developments or downturns, which could lead to an increase in our NPAs.

We recognise impairment of financial instruments on our statement of profit and loss based on ECL (Expected Credit Loss) methodology in accordance with Ind AS (for further details of our provisioning policies, see "*Financial Information*" on page 186). In addition to the required provision under our ECL model, we also consider our management overlay and macroeconomic factors as applicable for loan losses and risks inherent in the loan portfolio when deciding on the appropriate level of impairment allowance, which are recognized under impairment on financial instruments. For example, there was a sharp increase in our impairment allowance as on March 31, 2021 as they included additional impairment allowance taken on account of impact of COVID-19 on asset quality. This impacted our profitability for the period (for details, see "*Financial Information*" on page 186). The determination of an appropriate level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks, all of which may be subject to material changes. Any incorrect estimation of risks may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio.

The following table sets forth the classification of our gross loan portfolio as of the dates indicated herein below.

(₹ in crores)

Asset Classification			
	2023	**2022**	**2021**
Loans outstanding* (Gross) (A)			
Stage 1	19,111.28	14,554.73	11,571.55
Stage 2	43.52	185.81	222.87
Stage 3	236.39	558.65	548.69
Loans outstanding (Gross)	19,391.19	15,299.19	12,343.11
Impairment loss allowance (B)			
Stage 1	157.28	116.64	194.44
Stage 2	21.02	55.92	48.09
Stage 3	169.55	361.30	380.10
Total Impairment loss allowance	347.85	533.86	622.63
Loans outstanding (Net) (C = A – B)			
Stage 1	18,954.00	14,438.09	11,377.12
Stage 2	22.50	129.89	174.78
Stage 3	66.84	197.35	168.58
Loans outstanding (Net)	19,043.34	14,765.33	11,720.48
Gross Stage 3 (%) $ (1)	1.21	3.65	4.45
Net Stage 3 (%) # (2)	0.35	1.34	1.44

Notes:

According to Ind AS 109, Stage 1 includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e., disbursement date). Stage 2 includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e., SICR). Stage 3 includes default loans; a loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 60 / 90 days on any material credit obligation to the Company.

* *Represents Gross Carrying Value*

$ *Stage 3 loan outstanding (Gross) / Total loan outstanding (Gross)*

Stage 3 loan outstanding (Net) / Total loan outstanding (Net)

(1) *Gross Stage 3 (%) represents Gross Stage 3 loans outstanding (as defined above) as a percentage of the total portfolio loans outstanding (gross) as of the last day of the relevant period.*

(2) *Net Stage 3 (%) represents Net Stage 3 loans outstanding (as defined above) as a percentage of total portfolio loans outstanding (net) as of the last day of the relevant period.*

Note: Loans include group lending loans and individual loans.

A number of factors outside of our control affect our ability to limit and reduce NPAs. These factors include developments in the Indian and global economy, domestic or global turmoil, competition, changes in customer behavior and demographic patterns, various central and state government decisions (including farm loan waivers or any), changes in interest rates and exchange rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by the RBI, or the Government of India. These factors, coupled with other factors such as volatility in commodity markets, decrease in agriculture productivity and decline in business and consumer confidence, could impact our customers and in turn impact their ability to fulfil their obligations under the loans we extended to them. In addition, the expansion of our business may cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. If our NPAs increase, we will be required to increase our provisions, which would result in our net profit being less than it otherwise would be and could materially adversely affect our financial condition, cash flows and results of operations. Our Gross Stage 3 Assets Ratio had increased to

4.45% and 3.65% as on March 31, 2021 and March 31, 2022 due to the impact of Covid pandemic, which later reached normalised levels of 1.21% as on March 31, 2023 and 0.89% as on June 30, 2023.

4. ***The past performance and growth of our business is not indicative of our future performance and growth. If we are unable to manage our growth effectively, our financial, accounting, administrative, operational and technology infrastructure, as well as our business and reputation could be adversely affected.***

Our business has experienced rapid organic and inorganic growth over the past few years. Our network of branches in India has expanded from 1,635 branches servicing 38.2 lakh customers as of March 31, 2022 to 1,786 branches servicing approximately 42.6 lakh customers, as of March 31, 2023 and 1,826 branches servicing approximately 44.2 lakh customers, as of June 30, 2023.

As part of our growth strategy, we expect the contiguous expansion of our geographic footprint and network of branches to continue, which may further constrain our capital and human resources, and make asset quality management increasingly important. As we move to newer geographies, we may not be able to maintain the level of our NPAs or the quality of our portfolio. We will need to continue to enhance and improve our financial, accounting, information technology, administrative/ risk management and operational infrastructure and internal capabilities in order to manage the future growth of our business effectively. For example, our current core banking application software is a centralized core banking solution that has been purchased from an information technology company. There can be no assurance that the network infrastructure required for communication with the centralized system can be expanded in scale to meet any increase in the volume of our transactions. We may also not be able to implement the necessary improvements in a timely manner, or at all, and we may encounter deficiencies in existing systems and controls. Further, we may be unable to develop adequate infrastructure or devote sufficient financial resources or develop and attract talent to manage our growth.

If we are unable to manage our future expansion successfully, our ability to provide products and services to our customers would be adversely affected, and, as a result, our reputation could be damaged, and our business and results of operations could be materially and adversely impacted.

Notwithstanding the expansion of our business and customer base, there is no guarantee that we will be able to effectively manage or continue the rate of growth and financial performance. Our disbursements across our financing products for the three months ended June 30, 2023 and financial years ended March 31, 2023 and 2022 were ₹4,770.69, ₹18,539.01 and ₹15,446.33 crore respectively. Our net interest income (representing interest income plus income from direct assignment of outstanding loans reduced by finance costs) for the three months ended June 30, 2023 and the financial years ended March 31, 2023 and 2022 was ₹763.25 crore, ₹2,233.95 crore and ₹1,653.18 crore respectively. Net interest income has been calculated as follows: Interest on loans plus interest on securitization (re-recognized on balance sheet) plus Interest on deposits with banks and financial institutions, interest on government securities plus gain on derecognition of loans minus finance costs). Our profit after tax for the three months ended June 30, 2023 and financial years ended March 31, 2023, 2022 and 2021 were ₹348.46 crore, ₹826.06 crore, ₹353.07 crore and ₹127.38 crore respectively. Our net worth (calculated basis the definition provided under section 2(57) of Companies Act, 2013) as of March 31, 2023, was ₹5,047.77 crore. However, our past growth is not indicative of our future performance or potential growth.

We have reported 27% growth in our Gross AUM from ₹16,599.35 crore as of March 31, 2022 to ₹21,031.27 crore as of March 31, 2023 and ₹21,814.38 crore as of June 30, 2023. While we were profitable during the Fiscal 2023 and will continue to endeavour to grow our profitability going forward, no assurance can be given that our growth will continue at a similar rate or that we will be able to manage our rapid growth. If we are unable to implement or sustain our growth strategy effectively it could adversely affect our business, results of operations, cash flows and financial condition.

Our ability to sustain our rate of growth also depends, to a large extent, upon our ability to recruit trained and efficient personnel, retain key managerial personnel, maintain effective risk management policies, continue to offer products, which are relevant to our target base of clients, develop managerial experience to address emerging challenges and ensure a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rate, a need to hire additional employees, erosion in the quality of customer service, a diversion of the management's resources, an increase in our exposure to high-risk credit and an increase in costs for us.

Our growth has placed and will continue to place significant demands on our operational, credit, financial and other internal risk controls, including:

- developing and improving our products and delivery channels;
- recruiting, training and retaining sufficient skilled personnel;
- upgrading, expanding to digital platforms;
- upgrading our technology stack to support the expanding scale of business;
- complying with regulatory requirements; and
- maintaining high levels of customer satisfaction.

If we are not successful in implementing or executing these operational measures and risk controls, we may not be able to expand our business as we have in the past, and our growth rate may decline. We may not be able to manage our new operations effectively or efficiently, which would mean that our operations would suffer, and our performance and financial results as a whole would be materially and adversely affected.

5. ***Our business is particularly vulnerable to interest rate risk, and volatility in interest rates could have a material adverse effect on our net interest income, net interest margin and our financial performance.***

Our results of operations depend to a large extent on the level of our net interest income as our primary revenue source is interest income. Net interest income is the difference between our revenue from operations and our finance costs. The differential between the interest rates that we charge on interest- earning assets (i.e. our portfolio loans) and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have a significant impact on our results of operations. During the year ended March 31, 2023, interest on loans (interest on loans plus income from securitization (re-recognised on balance sheet)) represented 92% of our total income. Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities. Interest rates are highly sensitive, and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Interest rates in India have been volatile in the past. An increase in interest rates could result in an increase in interest expense in a higher proportion compared to interest income if we are not able to increase the rates charged on our portfolio loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest- earning assets. Further, such an increase in interest rates could impact our ability to raise low cost funds as compared to some of our competitors which may have access to lower cost deposits. For example: RBI has increased the repo rate by 250 basis points from April 2022 to June 2023, increasing the repo rate to 6.50%. The increase in repo rate resulted in an increase in MCLR of banks and financial institutions with a lag. The sharp increase in interest rate tends to impact our cost of funds and profitability of our Company. The differences between repricing maturities of rate sensitive liabilities and rate sensitive assets, called repricing gaps, exposes our business to interest rate risk. Our business is also exposed to interest rate risk in the form of non-uniform movement in different interest rate benchmarks that are used for pricing of our assets and liabilities.

An increase in inflation and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions and consequently, interest rates in India have been volatile in recent financial periods. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest income and net interest margins, which could in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

As the repricing maturities of our liabilities and assets are spread over different time periods, we are exposed to interest rate risk in the form of non-parallel movement in yield curves. Further, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income (representing our revenue from operations as reduced by our finance costs) and net interest margin. The quantum of the changes in interest rates for our assets and liabilities may also be different, leading to a decrease in the interest margin.

We operate a defined benefit gratuity plan in respect of certain eligible employees. The investments of the superannuation funds are made in government securities, financial institutions and other financial products. If interest rates were to fall, our liabilities under defined benefit gratuity plan will increase, which would impact our profits and financial performance.

Moreover, changes in interest rates could affect our fixed income portfolio and treasury income.

There can be no assurance that we would be able to adequately manage our interest rate risks. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our net interest income, net interest margin, thereby impacting our business prospects, financial condition and results of operations.

6. ***Our Company's growth will depend on our Company's continued ability to access funds at competitive rates which is dependent on a number of factors including our Company's ability to maintain its credit ratings. Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest margin and our results of operations and cashflows.***

The cost and availability of funds is dependent, among other factors, on our short-term and long-term credit ratings. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, industry position, and ability to meet our obligations. Any future performance issues for our Company or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest income and net interest margin.

As on the date of this Tranche II Prospectus, various rating agencies had rated our company's long-term credit ratings as: "Ind-Ra: AA-/Stable, ICRA: AA-/Stable and CRISIL: A+/Positive" and our short-term credit ratings as: ICRA: A1+. For details of our credit ratings, see "*Our Business*" on page 117.

The NCDs proposed to be issued pursuant to this Issue have been rated IND AA-/Stable by India Ratings & Research Private Limited for an amount of up to 1,500 crores by way of its letter dated August 4, 2022 and further revalidated through the letter dated September 8, 2022 and further affirmed vide letter dated April 24, 2023. For rating letter and rationale, including the risk and key drivers mentioned therein, please see "*Annexure A"* of this Tranche II Prospectus.

Any downgrade of our credit ratings would increase borrowing costs and constraint our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. There is a possibility of increase in forced sale of our NCDs by the investors resulting in sharp decline in their market price. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations and cashflows.

We also face certain restrictions on our ability to raise money from international markets, which may further constrain our ability to raise funds at attractive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, we may not be able to offer competitive interest rates for loans to our customers if we are unable to access funds at an effective cost that is comparable to or lower than our competitors. This may adversely impact our business and results of operations and cashflows.

7. ***Our Statutory Auditors and previous statutory auditors have highlighted certain emphasis of matters to their audit reports relating to our audited financial statements, which may affect our future financial results.***

The auditor's report on the audited standalone and consolidated financial statements issued by respective statutory auditors for Fiscal 2023, Fiscal 2022 and Fiscal 2021 included the following Emphasis of Matter. However, the auditor's opinion was unmodified:

Financial Year		**Emphasis of Matter**	**Steps taken by the Company**
2020-2021	Standalone	The Auditors have drawn attention to Note No. 42 of the Standalone Financial Statements where continuing impact of COVID-19 on expected credit losses, payment of Ex-Gratia benefit and Interest on Interest.	The Company had created an additional overlay of about ₹ 103 crore for uncertainty over the potential macro-economic impact of the pandemic.
	Consolidated	The Auditors have drawn attention to Note No. 42 of the Consolidated Financial Statements where continuing impact of COVID-19 on expected	The Company had created an additional overlay of about ₹ 112 crore for uncertainty over the potential macro-economic impact of the pandemic.

		credit losses, payment of Ex-Gratia benefit and Interest on Interest.	
2021-2022	Standalone	NONE	
	Consolidated	NONE	
2022- 23	Standalone	The Auditors have drawn attention to Note No. 45 of the Standalone Financial Statements regarding the approved Scheme of Amalgamation (the "Scheme") between Madura Micro Finance Limited (erstwhile subsidiary of the Company) and the Company, where The Company has given effect to the Scheme from the appointed date specified in the Scheme i.e., April 01, 2020. Pursuant to giving effect of the Scheme the Company has recorded additional Goodwill of ₹58.10 crore, as required by the Scheme. The additional goodwill has been accounted as mandated by para 14(vi) of the Scheme. Further, due to the aforesaid merger being effective from the Appointed Date, i.e., April 1, 2020, the Standalone Financial Statements of the Company for the previous years have been recast/restated. The Auditors' report is not modified in respect of these matters.	The Auditors have stated the facts in the Emphasis of Matter. There is no requirement of further steps by the company in this regard.
	Consolidated	The Auditors have drawn attention to Note No. 43 of the Consolidated Financial Statements regarding the approved Scheme of Amalgamation (the "Scheme") between Madura Micro Finance Limited (erstwhile subsidiary of the Parent) and the Parent, where The Parent has given effect to the Scheme from the appointed date specified in the Scheme i.e., April 01, 2020. Pursuant to giving effect of the Scheme the Company has recorded additional Goodwill of ₹58.10 crore, as required by the Scheme. The additional goodwill has been accounted as mandated by para 14(vi) of the Scheme. Further, due to the aforesaid merger being effective from the Appointed Date, i.e., April 1, 2020, the Consolidated Financial Statements of the Group for the previous years have been recast/restated. The Auditors' report is not modified in respect of these matters.	The Auditors have stated the facts in the Emphasis of Matter. There is no requirement of further steps by the company in this regard.

For further details, in relation to the emphasis of matter, etc. kindly see "*Financial Information*" on page 186. There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

8. ***We are subject to certain conditions and restrictions in terms of our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire. In addition, on certain occasions in the past, we have been unable to comply with certain financial covenants in our financing documents.***

As of June 30, 2023, we had total borrowings aggregating to ₹16,818.14 crore. Incurring indebtedness is a direct consequence of the nature of our business, and having large outstanding borrowings portfolio may have significant implications on our business and results of operations and cashflows, including, *inter alia*:

- low availability of cash flow for working capital, capital expenditures and other general corporate requirements;
- fluctuations in market interest rates may affect the cost of our borrowings, as our indebtedness is at variable interest rates;
- affecting our ability to obtain additional financing in the future at reasonable terms;
- triggering provisions of cross-default across multiple financing arrangements;
- adverse and onerous implications (including limitations to the use of funds in the relevant facility) in the event of inability to comply with financial and other covenants specified in the financing agreements;
- the right to recall loans by our lenders; and
- reduction in the ability to respond to changing business, regulatory and economic conditions.

Some of the financing arrangements entered into by us also include conditions that require us to obtain the respective lender's consent prior to carrying out certain activities. These covenants vary depending on the requirements of the financial institution extending the loan, and may be, *inter alia*, in relation to: (i) permitting any change in the management or constitution documents of the Company ; (ii) creating any further charge, lien or encumbrance over the assets and properties of the Company; (iii) effecting any changes to the shareholding of the Company to the effect that it changes the management control of the Company; (iv) making any investments by way of deposits, loans, advances or investments in share capital or otherwise, in any concern or providing any credit or giving any guarantee, indemnity or similar assurance other than in normal course of business; (v) revaluing its assets; (vi) paying any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities; (vii) inducting on its Board a person whose name appears in the list of willful defaulters (in accordance with the extant guidelines issued by the RBI); (viii) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever that may result in change in promoter or the promoter losing control, (viii) approaching capital markets for mobilizing additional sources, either in the form of debt or equity; (ix) implement any scheme of expansion, modernization, diversification or acquire fixed assets other than those shown in the cash flow statement.

Further, under certain financing arrangements, we are required to maintain specific credit ratings and other financial ratios, which may restrict or delay certain actions or initiatives that we may propose to take in the ordinary course of business.

We have, on certain occasions, been unable to comply with such financial covenants. In particular, primarily as a result of the Government of India's demonetization measures and its consequent effect on our customers (who primarily repay their loans by way of cash), we were unable to comply with certain ratios in various financing agreements (including documents for issuance of non-convertible debentures) as regards the maintenance of PAR levels for over 30 days. While we duly informed the relevant lenders about such non-compliance (and the reasons thereof) and requested for their waivers and the relevant lenders have not declared a default on this account, we cannot assure you that that they will not do so in the future, or such instances of non-compliance would not recur in future.

Failure to observe the covenants under our financing arrangements or failure to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, trigger cross-default provisions and the enforcement of security provided. There can be no assurance that we would be able to persuade our lenders to grant extensions or refrain from exercising such rights, which may adversely affect our operations and cash flows. During any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing or generate sufficient cash to fund our liquidity requirements.

Any default or delay in repayment of our borrowing would trigger payment to some or all of the other borrowing obtained by our Company, which would have a material adverse effect on the liquidity position, cash flows, business and results of operation of our Company. There have been instance of delay in repayment of borrowings in Fiscal 2020 pending our application to banks and lenders to grant moratorium on only principal repayments due from March 30, 2020 and onwards in light of the RBI circular dated March 27, 2020 on Covid-19 Regulatory package. The request for moratorium was approved by most banks / financial institutions subsequently and repayment was made good in respect of those banks who had not granted the moratorium.

Our lenders also have the ability to recall or accelerate all or part of the amounts owed by us, subject to the terms of the financing arrangement. Such recalls may be contingent on the happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls. A recall notice may also lead to an event of default under an existing financing arrangement. There can be no assurance that we will be able to repay our loans in full, or at all, at the receipt of a recall or acceleration notice, or otherwise. Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, may have an adverse impact on our credit rating, business operations and future financial performance. Further, if we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected, which will have a significant adverse effect on our results of operations, cashflows, financial condition and our business.

9. ***There can be no assurance that we will be able to access capital as and when we need it for growth.***

Our liquidity and profitability are, in large part, dependent upon our timely access to capital and costs associated with raising capital. Our funding requirements have historically been met from a combination of term loans, direct assignment or securitization of our portfolio to banks and financial institutions, proceeds from issuance of non-convertible debentures, external commercial borrowings, subordinated debt as well as equity contributions. Any change in the RBI regulations on priority sector lending, or our inability to maintain relationships with such banks and financing institutions could adversely affect our business, results of operations, cashflows and financial condition. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. For further information, see "*Regulations and Policies*" on page 172.

If we are unable to access the necessary amounts of additional capital, for meeting our incremental capital requirement, it may adversely impact our ability to grow our overall business and may even require us to curtail or withdraw from some of our current business operations. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans to customers. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/ or lenders' perception of demand for debt and equity securities of NBFCs and MFIs, and our current and future results of operations and financial condition. There can also be no assurance that we would be able to raise adequate additional capital in the future on terms favorable to us, or at all, and this may hamper and adversely impact our growth plans.

10. ***We did not have adequate controls for managing our historical secretarial records and compliances as a result of which there have been certain inaccuracies and non-compliances with respect to certain provisions of the Companies Act, SEBI Listing Regulations, applicable FEMA regulations, regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for such non-compliance and our business, financial condition and reputation may be adversely affected.***

In the past, our controls and compliances for managing our secretarial records and compliances have been inadequate as a result of which there have been factual inaccuracies, non-compliances with certain provisions of the Companies Act, 1956, Companies Act, 2013, SEBI Listing Regulations and FEMA regulations, and delays and failures in making certain regulatory filings by our Company. This may subject us to regulatory actions and/ or penalties which may adversely affect our business, financial condition and reputation.

We have been unable to trace a number of documents, including the form filings, share transfer deeds, board resolutions maintained by our Company from incorporation up to the year 2007. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions.

Except as disclosed below, we maintain all other corporate records and regulatory filings at our Company:

- form filings and corresponding resolutions in relation to amendments made to the MoA of our Company for the period between 1991 and January 31, 2007; and

- form filings and corresponding resolutions in relation to the initial subscription of 20 Equity Shares, preferential allotment of 180 Equity Shares, 229,200 Equity Shares, 470,500 Equity Shares and 36,66,380 Equity Shares made on June 12, 1991, June 28, 1991, December 27, 1996, February 16, 1997 and March 25, 2008, respectively.

We have been unable to trace these documents at the relevant registrar of companies and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. Accordingly, for a period commencing from incorporation until the year 2007, we are unable to confirm details of any corporate actions undertaken by our Company, including acquisitions of any business or undertakings, revaluation of assets, entry into any scheme of amalgamations, public offerings of debt securities, any instances of strikes, lock-outs or cost time/ cost overruns and any default in repayment or rescheduling of borrowings from financial institutions or banks. Further, there have also been instances of our Company making only post-facto noting of a share transfer (as opposed to granting an in-principle approval), and typographical errors in our register of members and a form FC-TRS filing made in relation to a share transfer.

We are subject to regular scrutiny and supervision by various regulators, statutory bodies and self-regulatory organisations such as RBI, SEBI, Stock Exchanges and RoC. The requirements imposed by these regulators are designed to ensure the integrity of the financial markets and to protect investors' interests. Any non- compliance with regulatory guidelines and directions in past and future may result in regulatory actions, which includes issuance of administrative/warnings/deficiency letters, fines or sanctions imposed by these regulators and, in certain circumstances, could lead to revocation of certain of our licenses. While we attempt to comply with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by these regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, financial condition, cash flows and results of operations. In the past, there have been instances of factual inaccuracies, non-compliances or delayed compliances with certain provisions of the Companies Act, 1956, Companies Act, 2013, SEBI Listing Regulations and FEMA regulations, and delays and failures in making certain regulatory filings by our Company, For instance:

i. In the past we have not obtained unique identification numbers and/ or unique registration numbers for the allotment of the Equity Shares of our Company to non-resident shareholders.

   We have made an allotment of compulsorily convertible cumulative preference shares in the past without having the necessary authorizations under our Memorandum of Association. We allotted 9,20,000 compulsorily convertible cumulative preference shares in 2008 at the face value of ₹100 per compulsorily convertible cumulative preference share, when our Memorandum of Association did not permit issuance of preference share capital. At the time of making this allotment in 2008, while our memorandum and articles empowered us to issue 1,80,00,000 Equity Shares, our Company allotted 9,20,000 compulsorily convertible cumulative preference shares without altering the capital clause of the then prevailing memorandum of association. While the compulsorily convertible cumulative preference shares were allotted without re-classifying the authorized share capital of our Company, subsequent to their issuance, the aggregate issued, subscribed and paid-up share capital of our Company was within the overall authorized share capital of ₹18,00,00,000.

   We sought to address these non-compliances with the Companies Act, 1956 by making a compounding application dated January 20, 2018 with the Regional Director, South-East Region, Hyderabad, Ministry of Corporate Affairs ("**Regional Director**") and the relevant corporate filings were made with the RoC. On April 10, 2018, the Regional Director compounded the offences under Section 94 and Section 13(4) of the Companies Act, 1956 upon payment of a compounding fees of ₹5,000 each by the Company and two officers of the Company who were in default under the aforesaid provisions. However, we cannot assure you that the MCA or the Registrar of Companies will condone these irregularities or that the penalty imposed will not be material and that it will not have a material adverse effect on our reputation, business, financial condition or that we will pay such amounts in time or at all.

ii. During the year 2009, we had issued 25,00,000 compulsorily convertible preference shares of face value of ₹10 each ("**CCPS**") to a non-resident entity. A total amount of ₹ 9,37,505 was payable as dividend on such CCPS upon conversion. However, instead of paying the dividend amount in cash, we allotted an aggregate of 28,409 extra Equity Shares on December 9, 2009 when the CCPS were converted to Equity Shares. Subsequently, we were intimated by the Registrar of Companies and the Regional Director of the Ministry of Corporate Affairs, Government of India ("**MCA**"), that the payment of dividend in the form of Equity Shares instead of cash was not in compliance with applicable provisions of the Companies Act, 1956. Subsequently, in October 2011, we filed compounding proceedings with the (erstwhile) Company Law Board ("**CLB**") to compound such non-compliance. The CLB, by an order dated October 26, 2017, compounded these violations upon payment of a penalty of ₹5,000 by our Company and ₹2,000 each by two of our erstwhile directors and our erstwhile company secretary.

Further, we also applied to the (erstwhile) Foreign Investment Promotion Board ("**FIPB**") for post-facto approval of the allotment of 28,409 Equity Shares in lieu of dividends, which was granted by the FIPB, subject to compounding by the RBI. Subsequently, we made an application to the RBI to compound this allotment. In August 2012, the RBI compounded the allotment upon payment of a compounding fee of ₹100,000. In its order, the RBI also noted that there was a delayed reporting of the allotment of Equity Shares.

We have subsequently addressed these irregularities by getting the relevant irregularities compounded by RBI or MCA or the Registrar of Companies, as applicable. While no legal proceedings or regulatory action has been initiated against our Company in relation to any provisions of the Companies Act, SEBI Listing Regulations, applicable FEMA regulations, regulatory filings and corporate actions taken by our Company as of the date of this Tranche II Prospectus, we cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to such non-compliances.

11. ***Any failure or material weakness of our internal control systems could cause significant operational errors, which would materially and adversely affect our profitability and reputation.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and the complexity of our operations. Our internal or concurrent audit functions are equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business personnel adhere to our policies, compliance requirements and internal circular guidelines. While we periodically test and update our internal control systems as necessary, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weakness. We face operational risks in our business which may result in deficiencies to arise in the credit sanction process, inaccurate financial reporting, fraud and failure of critical systems and processes which may result in losses. In addition, we carry out certain processes manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer material losses. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

12. ***We may face various risks associated with our large number of branches and widespread network of operations which may adversely affect our business, financial condition, results of operations and cashflows.***

As of June 30, 2023, we have presence across 14 states of Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Odisha, Kerala, Goa, Gujarat, Rajasthan, Uttar Pradesh, Bihar, Jharkhand, West Bengal and one union territory of Puducherry through 1,826 branches, 21 regional processing centers and 12,044 loan officers.

As a consequence of our large network, we may be exposed to certain risks, including, amongst others:

- preserving our asset quality and managing our NPAs as our geographical presence increases and our customer profile changes;
- developing and improving our product delivery channels;
- upgrading, expanding and securing our technology platform;
- complying with regulatory requirements such as KYC and AML norms;
- maintaining high levels of customer satisfaction;
- difficulties arising from operating a larger and more complex organization;
- difficulties arising from coordinating and consolidating corporate and administrative functions;
- delay in the transfer of data amongst various locations;
- higher technology support costs to achieve last mile connectivity;

- operational risks including integration of internal controls and procedures;
- failure to efficiently and optimally allocate management, technology and other resources across our branch network;
- failure to manage third-party service providers in relation to any outsourced services;
- difficulties in the integration of new branches with our existing branch network;
- difficulties in supervising local operations from our centralized locations;
- difficulties in hiring and training skilled personnel in sufficient numbers to operate the new branches locally and management to supervise such operations from centralized locations;
- failure to maintain the level of customer service at all branches; and
- unforeseen legal, regulatory, property, local taxation, labor or other issues.

Any of the above reasons may result in our failure to manage our expansive presence, which may materially and adversely affect our brand, reputation, business, financial condition, results of operations and cash flows.

13. ***Competition from banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian microcredit lending industry.***

We face significant competition from other MFIs and banks in India (including SFBs). For details, see "*Our Business – Competition*" on page 143. Many of the institutions with which we compete may be larger in terms of business volume or may have greater assets, higher geographical penetration and better access to, and lower cost of, funding than we do. In certain areas, they may also have better brand recognition and larger customer bases than us. We anticipate that we may encounter greater competition as we continue expanding our operations in India, and this may adversely affect our business, results of operations and financial condition. We consider Bharat Financial Inclusion Limited (now merged with IndusInd Bank Limited), Fusion Microfinance Limited, Satin Creditcare Network Limited, Annapurna Microfinance Private Limited, Arohan Financial Services Limited, Spandana Sphoorty Financial Limited, L&T Finance Limited, Asirvad Microfinance Limited, Ujjivan Small Finance Bank Limited, Equitas Small Finance Bank Limited, Muthoot Microfin Limited, IIFL Samasta Finance Limited, Belstar Microfinance Limited as our key competitors].

We believe traditional commercial banks as well as regional rural and cooperative banks, have generally not directly targeted the lower income segments of the population for new customers. However, some banks do participate in microfinance by financing the loan programs of self-help groups often in partnership with NGOs, or through certain state-sponsored social programs. Further, most small finance banks which received approval from the RBI for the commencement of SFB operations are focused on low and middle- income individuals and micro, small and medium enterprises. Banks also indirectly participate in microfinance by giving loans and providing other sources of funding to other MFIs. In addition, of late, some commercial banks are also beginning to directly compete with for-profit MFIs for lower income segment customers in certain geographies.

14. ***We depend on the accuracy and completeness of information about customers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether or not to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our customers as to the accuracy and completeness of that information. To ascertain the creditworthiness of potential borrowers, we may depend on credit information companies or credit bureaus, and our reliance on any misleading information may affect our judgement of credit worthiness of potential borrowers, which may affect our business, prospects, results of operations, and cashflows and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition, results of operations and cashflows.

Moreover, the availability of accurate and comprehensive credit information of our focus customer segment in India is limited, which reduces our ability to accurately assess the credit risk associated with such lending. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our NPAs, which could materially and adversely affect our business prospects, financial condition and results of operations.

15. ***We handle cash in a high volume of transactions occurring through a dispersed network of branches; as a result, we are exposed to operational risks, including fraud, petty theft and embezzlement, which could harm our results of operations and financial position. Further, our employees may be the target of violent crime, such as thefts and robberies, which may adversely affect our business, operations and our ability to recruit and retain employees.***

As we handle a large amount of cash through a high volume of transactions taking place across our branch network, we are exposed to the risk of fraud or other misconduct by employees or outsiders. This risk is further exacerbated by the high level of autonomy on the part of our loan officers and back-end managers, which our business model requires. For instance, in the past, we have discovered a few cases of theft, robbery and cash embezzlement by either third parties or employees. Fraud and other misconduct can be difficult to detect and deter. For details relating to such criminal litigations, please see "*Outstanding Litigations*" on page 290. Given the high volume of transactions we process on a daily basis, certain instances of fraud and misconduct may go unnoticed or may only be discovered and successfully rectified after substantial delays. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law or with our insurance carriers, there can be no assurance that we will recover any of the amounts involved in these cases. Our reputation could be adversely affected by fraud committed by employees, customers or outsiders, or by our perceived inability to properly manage fraud-related risks. We make a provision in our financial statements for 100.00% of the value of any fraud discovered by us. Further, to the extent that our employees are subject to violent attacks, theft or robbery in the course of their duties in certain areas where we have operations/branches, our ability to service such areas will be adversely affected and our employee recruiting and retention efforts may be curtailed, which would negatively impact our expansion and growth plans. In addition, if certain areas of India pose a significantly higher risk of crime or political strife and instability, our ability to service such areas will be adversely affected and our expansion and growth may be curtailed. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

16. ***We require various statutory and regulatory approvals, licenses, registrations and permissions to conduct our business and an inability to obtain or maintain such approvals, licenses, registrations and permissions in a timely manner, or at all, may adversely affect our operations.***

We require various approvals, licenses, registrations and permissions to operate our business, including a registration for our Company as well as various other corporate actions. We are also required to comply with the prescribed requirements, including classification of NPAs and provisioning, KYC requirements, qualifying assets and other internal control mechanisms. For further information, please see section titled "*Regulations and Policies*" on page 172. In future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner, or at all, and/ or on favourable terms and conditions. Our failure to comply with the terms and conditions of such permits or approvals and/ or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have a material adverse effect on our business operations and future financial performance.

In the event that we are unable to comply with the requirements within the specified time limit, or at all, we may be subject to regulatory actions by the RBI, including the levy of fines or penalties and/ or the cancellation of our license to operate as an NBFC-MFI. Any levy of fines or penalties or the cancellation of our license to operate as an NBFC-MFI due to any breach of applicable norms may adversely affect our business, prospects, results of operations and financial condition. In addition, we require various registrations to operate our branches in the ordinary course of business. These registrations typically include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labor related registrations and trade licenses of the particular state in which they operate. Some of these approvals may have expired in the ordinary course, and our Company has either applied, or is in the process of applying for renewals of them. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims that we have not complied, with any of these conditions, we may be liable to fines and/ or penalties, and our certificates of registration may be suspended or cancelled, and we would no longer be able to carry on such activities required for our business.

17. ***We face the threat of fraud and cyber-attacks targeted at disrupting our services, such as hacking, phishing and Trojans, and/ or theft of sensitive internal data or customer information. This may cause damage to our reputation and adversely impact our business and financial results.***

Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, our internet platforms are exposed to being hacked or compromised by third-parties, resulting in thefts and losses to our customers and us. Some of these cyber threats from third-parties include: (i) hacking – wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (ii) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (iii) advanced persistent threat – a network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time with an intention to steal our data or information. While we have faced certain instances of infrastructure outages, in our knowledge there has been no substantial theft or loss of information, or financial loss pursuant to these cyber-attacks. The frequency of such cyber threats may increase in the future with the increased digitization of our services and other external factors. For example, a substantial increase in cyber-attacks across industries in India has been noticed since the outbreak of COVID-19 in March, 2020. Not only are we exposed to such risks from our own actions or those of our employees, but from actions of our third-party service providers, whom we do not control. If we become the target of any of such cyber-attacks, it could materially and adversely affect our business, financial condition and results of operations.

Further, since we review and retain, in our ordinary course of business, sensitive personal data of our customers for diligence and KYC checks (including AADHAAR data), any security breaches in our systems could give rise to regulatory liability or litigation. In addition, any breakdown, breach or hacking of the information technology platforms of key resources used by us in our lending operations, including credit-bureaus, could adversely affect our operations and the quality of our portfolio.

In June 2017, the RBI issued master directions on information technology frameworks for NBFCs. These directions prescribe measures to be adopted by NBFCs to minimize cyber risk, including adoption of IT strategy policies (overseen by a strategy committee), information and cyber security protocols and policies, and reporting of cyber-security incidents and breaches to the RBI from time to time. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

18. ***We depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our customer base.***

We believe that any damage to our reputation could substantially impair our reputation and our ability to maintain or grow our business, or have a material adverse effect on our overall business, financial condition and results of operations. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value. In such an event, we may not be able to compete for customers effectively, and our business, financial condition and results of operations may be adversely affected.

In addition, we also face the risk of our brand name being misused for fraudulent purposes, which may adversely affect our reputation.

19. ***If we are unable to protect our trademarks and tradenames, others may be able to use our trademarks and tradenames to compete more effectively. Also, we may breach third-party intellectual property rights.***

We have obtained registration of the following trademarks:

Particulars	Trademark
CreditAccess Grameen" (logo)	CreditAccess® Grameen
Grameen Koota Financial Services (logo)	GrameenKoota® financial services
GRAMEENKOOTA (word)	GrameenKoota
Grameen Koota Jagruti" (logo)	GrameenKoota Jagruti®

We have also obtained registration for certain domains, including "grameenkoota.org". Further, any unauthorized or inappropriate use of our brand, trademarks and domain names by others, in their corporate names or product brands or otherwise could harm our brand image, competitive advantages and business and dilute or harm our reputation and brand recognition. If a dispute arises with respect to any of our intellectual property rights or proprietary information, we will be required to produce evidence to defend or enforce our claims, and we may become party to litigation, which may strain our resources and divert the attention of our management. We cannot assure you that any infringement claims that are material will not arise in the future or that we will be successful in defending any such claims when they arise.

Our efforts to protect our intellectual property or proprietary information and the measures we take to identify potential infringement of our intellectual property may not be adequate to detect or prevent infringement, misappropriation or unauthorized use. Any such misappropriation or duplication of our name, registered/ official addresses, corporate logos or other intellectual property or proprietary information may disrupt our business, distract management and employees, reduce revenues and increase expenses. In addition, we may also become subject to infringement claims. Even if claims against us are not meritorious, any legal, arbitral or administrative proceedings that we may be required to initiate or defend in this regard may be time-consuming, costly and harmful to our reputation, and there is no assurance that such proceedings will ultimately be determined in our favor. Furthermore, the application of laws governing intellectual property rights in India is continuously evolving and there may be instances of infringement or passing-off of our brand in Indian markets. Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, financial condition and results of operations.

We may be subject to claims by third-parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, trademarks or other such rights that are of a similar nature to the intellectual property these third-parties may have registered or are using. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third-parties.

Any legal proceedings that result in a finding that we have breached third-parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third-parties or stop using the relevant intellectual property (including by way of temporary or permanent injunction) or make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our business, prospects, reputation, results of operations and financial condition.

20. Our Promoter has invested in Sahayata Microfinance Private Limited, which has been involved in various financial irregularities and discrepancies in the past.

Our Promoter presently holds 31.34% in the issued and paid-up equity share capital of Sahayata Microfinance Private Limited ("**Sahayata**"), a company incorporated in Udaipur, Rajasthan. Sahayata was registered as a non-deposit holding or accepting NBFC with the RBI on December 8, 1998. Around August 2011, various discrepancies and irregularities in the operation and management of Sahayata came to light, including *inter alia*: (a) accounting malpractices, such as reporting fake expenses, fake loans and fictitious transactions and cash generated from fake transactions used to fund delinquent accounts; (b) failure of internal controls, including booking of fictitious loans at head office level to prevent internal auditing of branch operations and branch reviews; (c) poor quality and lack of independence of internal audit; (d) lack of any review over expenditure incurred by Sahayata and verification in relation to purchase of fixed assets; (e) concealing of NPAs including forgery of supporting documents relied upon by the statutory auditors of Sahayata; and (f) poor post-sanction supervision of loans, lack of regular field-visits by independent internal auditors/ staff. In October 2013, the RBI directed Sahayata to surrender its NBFC registration and subsequently, its license was cancelled by an executive order in March 2014. Further, based on publicly available records, Sahayata has also been identified as a defaulter by various lenders for suit-filed accounts of ₹1 crore and above as on March 31, 2017. These lenders have also named the aforementioned directors of Sahayata in relation to the defaults.

Various steps had been taken by the management of Sahayata at the point of time when such matters came to light to address these issues including identification and suspension of members of the senior management who were involved in these activities and initiation of legal action against them. While CreditAccess India B.V ("CAI"), our Promoter, continues to hold 31.34% in the issued and paid-up equity share capital of Sahayata, in the recent past, except for a letter dated February 15, 2017 from Sahayata addressed to CAI's Indian counsel with the annual reports and other details of Sahayata as of March 31, 2015, CAI has not been able to communicate with, or obtain any information from Sahayata including in relation to receipt of audited financial statements and other shareholder records, and inquiries on initiation of winding-up proceedings of Sahayata by CAI and in connection with the Issue. CAI and its group companies, viz. MVH S.P.A and MicroVentures Investments SA SICAR have never been classified as a promoter or promoter group member of Sahayata. Further, the nominee director of CAI on the board of directors of Sahayata since 2009, being Paolo Brichetti, resigned from the board of directors of Sahayata on October 22, 2012. However, we cannot assure you that any action taken against Sahayata in relation to the aforementioned issues may not have an impact on the shareholding of CAI in Sahayata, or the reputation of CAI.

21. ***Our success depends, in large part, upon our management team and skilled personnel and on our ability to attract and retain such persons.***

We are highly dependent on the continued services of our management team. We are also dependent on our experienced members of our Board of Directors, Key Managerial Personnel and senior managerial personnel. Our future performance is dependent on the continued service of these persons. The RBI also mandates NBFCs to have in place supervisory standards to ensure that their directors have appropriate qualifications, technical expertise and a soundtrack record, and such requirements will make it more difficult for us to replace our directors if and when we have to. We may not be able to replace our Board of Directors with similarly experienced professionals, which could materially and adversely impact the quality of our management and leadership team.

Further, while certain of our other employment agreements contain non-compete clauses that extend beyond their term, there can be no assurances that we will effectively be able to enforce them or prevent key employees or members of our management team to join competing interests after expiry of employment with us. Further, we do not maintain any “key man” insurance. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skills and expertise.

We also face a continuing challenge to hire and assimilate skilled personnel. Competition for management and other skilled personnel is intense, and we may not be able to attract and retain the personnel we need in the future. The loss of key personnel or our inability to replace key personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our results of operations and financial position.

22. ***Our business is subject to seasonality, which may contribute to fluctuations in our results of operations and financial condition.***

Our business is subject to seasonality as we typically see higher borrowings by our customers during the third and fourth quarter of each financial year. We also typically have higher drawdowns under our facilities in the third and fourth quarter of each financial year. Accordingly, our results of operations in one quarter may not accurately reflect the trends for the entire fiscal and may not be comparable with our results of operations for other quarters.

23. ***As an NBFC-MFI, our Company is subject to periodic inspections by the RBI. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions.***

As RBI-registered NBFC-MFIs, our Company is subject to periodic inspections by the RBI to verify the correctness or completeness of our business and operations, internal controls, and any statement, information or particulars furnished to the RBI. We will continue to be subject to inspections by the RBI, in the course of which the RBI may report on divergences (if any) from regulatory requirements applicable to NBFCs. In recent inspection reports, the RBI has, among other things, identified major areas of non-compliance to statutory and regulatory guidelines including (a) non-compliance of corporate governance norms inter alia with respect to functioning of committees, periodicity of meetings, compliance with coverage and review functions ; (b) an annual review of frauds for the year ended March 2021 not being tabled before the Board; (c) non-compliance of fair practices code and grievance redressal mechanism by the Board; (d) policies for appointment and independence of chief risk officer were not in place by the Board; (e) regular review of outsourcing policies, strategies not ensured by the Board, audit policy does not include audit of outsourced activities, outsourcing agreements not in compliance with the regulations; (f) non evaluation of internal financial controls and risk management systems evidenced by audit committee during the year ended March 31, 2021; (g) audit notes and compliance of KYC policy not being placed before audit committee on quarterly basis; (h) declaration and undertaking of directors not being scrutinized/analyzed by NRC; (i) evaluation of every director’s performance not evidenced of being done by the NRC ; (j) due diligence process for renewal of appointment of directors not evidenced to have been done by the NRC during the year ended March 31, 2021; (k) Managing director and CEO did not head the ALCO during the year ended March 31, 2021; (l) the Company has spent less to the extent of ₹1.81 crore for CSR activities and had transferred the unutilized amount to a bank account, which was actually applicable for an ongoing project; (m) Company is not having a Board approved policy for private placement of NCDs; (n) Company had exceeded the margin cap of 10% in two quarters viz June 2020 and September 2021; (o) Company was not filing and registering the record of mortgages in CERSAI in respect of applicable loans; (p) company has not adhered to the requirement of liquidity disclosure; (q) Note on treatment of investment portfolio for the purpose of ALM not forwarded to RBI.

Whilst we have responded to the RBI and addressed such observations, there can be no assurance that the RBI would not make similar or other observations, including divergences, in the future. If we are unable to resolve such deficiencies and other matters to the RBI's satisfaction, we could be exposed to penalties and restrictions, and our ability to conduct our business may be adversely affected.

24. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis. Inability to timely detect any such activities could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls customary in India to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any anti-money-laundering activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties. We, in some of our activities and in pursuit of our business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and reputation.

25. The appointment of Ms. Tara Thiagarajan, Chairman and Managing Director of our erstwhile subsidiary, MMFL (now merged with our Company) for the period between 2013 and 2016, was undertaken without receipt of requisite approval from the Ministry of Corporate Affairs.

Our erstwhile subsidiary, MMFL (now merged with our Company) had filed a delayed application in July, 2018 with the Ministry of Corporate Affairs ("MCA") for the approval of appointment Tara Thiagarajan as its Chairman and Managing Director for the retrospective period between October 1, 2013 till September 30, 2016 ("2013 Appointment"). However, the MCA while rejecting MMFL's application vide letter dated June 18, 2019, stated that as Tara Thiagarajan had been earlier appointed as the Chairman and Managing Director for the period February 26, 2012 to February 25, 2015 ("2012 Appointment"), the 2013 Appointment was in violation of Section 196 (2) of the Companies Act, 2013 ("Section 196 (2)"). MMFL (now merged with our Company) has responded to the MCA vide letters dated July 15, 2019, November 26, 2019 and January 20, 2020, wherein it has submitted that the 2013 Appointment was not in violation of Section 196 (2) as MMFL (now merged with our Company) cancelled the earlier 2012 Appointment and appointed Tara Thiagarajan in the 2013 Appointment with revised terms and conditions. MCA by way of a letter dated February 25, 2022 has passed an order for Adjudication. Thereafter, Registrar of Companies, Chennai has by way of adjudication order dated June 15, 2022 imposed a penalty of ₹2.58 lakhs on our Company for the violation. Our Company has accordingly paid the penalty to compound such non-compliance. Our company has sent a letter to MCA to complete the compounding proceeding. The matter is currently pending with MCA, we await confirmation from the MCA pertaining to the final appointment of Tara Thiagarajan as its Chairman and Managing Director for the retrospective period between October 1, 2013 till September 30, 2016. We cannot assure you that MCA will not initiate any such action against our directors, or MMFL (now merged with our Company) in case of any non-compliances in future.

26. We are subject to macro-economic developments and other market factors, and our results of operations may fluctuate or decline from period to period.

Our business is subject to a number of macro-economic factors that are outside of our control, including GDP growth, inflation, fiscal deficits, pandemics such as the COVID-19 pandemic, international and domestic, political and economic conditions, fiscal and monetary policies of governments and central banks, and changes in interest rates, which may adversely impact us from time to time. As a result of the volatility of these macro-economic factors, including interest rates; and provisions we make from period to period for NPAs and other assets, commitments and contingencies (such as for letters of credit and bank guarantees), our results of operations have varied from period to period in the past and may fluctuate or decline in the future due to these and other factors. Such fluctuations may also adversely affect our liquidity. These factors may also make period-to-period comparisons of our operating results less meaningful than they would be for a business that is not as significantly affected by such factors. Any adverse development in India or global macroeconomic conditions, on account of COVID-19 or otherwise, could have a material adverse effect on our business, financial condition, results of operations or prospects.

27. Our erstwhile subsidiary, MMFL (now merged with our Company) had allotted certain equity shares to shareholders in violation of Section 67(3) of Companies Act, 1956 and the Securities and Exchange Board of India (erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000).

Our erstwhile subsidiary MMFL (now merged with our Company) had, on July 4, 2006 and September 1, 2006 allotted certain equity shares to shareholders in violation of Section 67(3) of Companies Act, 1956 and the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000). SEBI has issued a press release dated November 30, 2015 and circular dated December 31, 2015, as amended by circular dated May 3, 2016, (together, the "SEBI Circulars"), in respect of the applicability of Section 67(3) of the Companies Act, 1956, involving issuance of securities to more than 49 persons up to 200 persons. In order to remedy the said non-compliance, MMFL filed a compounding application before the Regional Director, Chennai ("**Regional Director**") for contravention of provisions of the Companies Act on December 9, 2019. The Assistant Registrar of Companies, Chennai pursuant to its email dated May 28, 2020 directed MMFL to file the compounding application on behalf of the relevant directors/ officers in respect of the default in allocation in 2006.

MMFL (now merged with our Company) is in the process of complying with the direction of the Registrar of Companies, Chennai. MMFL (now merged with our Company), pursuant to its response dated September 24, 2020, stated that the managing director at the time of the occurrence of the contravention, had passed away in 2007 and accordingly cannot file a compounding application. Subsequently, the Ministry of Corporate Affairs, pursuant to rejection note dated September 30, 2020, rejected the compounding application on the grounds that it was not the relevant form and directed MMFL (now merged with our Company) to file the relevant form with the relevant authority. However, the settlement application filed with the SEBI was returned by the SEBI pursuant to its letter dated August 10, 2020 ("SEBI Letter"). In terms of the SEBI Letter, SEBI directed MMFL (now merged with our Company) to refile the settlement application after having completed the exit offer process as laid down by SEBI in circular bearing reference no. CIR/CFD/DIL3/18/2015 dated December 31, 2015 amended by Circular dated May 3, 2016 on the issue of Shares to selected offerees in 2006, the board of directors of MMFL (now merged with our Company) pursuant to a resolution passed by circulation on September 7, 2020 had approved providing exit to the current shareholders of MMFL (now merged with our Company) as per the exit offer process as laid down by the SEBI Circulars and accordingly, Mr. M Narayanan, one of the promoters, had provided exit option to 57 identified shareholders and post which filed a compounding application with the SEBI for violation of Section 67 of the Companies Act, 2013. Thereafter, MMFL (now merged with our Company) had filed application with the Regional Director, Ministry of Corporate Affairs, Southern Region, Chennai as well as SEBI. The application filed with Regional Director, Ministry of Corporate Affairs, Southern Region, Chennai has been rejected vide its order dated April 26, 2021 and MMFL (now merged with our Company) vide its letter to the SEBI dated June 28, 2021, had withdrawn the Settlement Application stating that the proceedings before the Regional Director, Chennai for compounding of offence under the Companies Act, in relation to the same fact scenario have not yet been concluded and undertaken to re-submit a fresh voluntary settlement application to resolve the aforesaid issue, once the Compounding Proceedings have been completed by the Regional Director, Chennai. However, as on the current date, the matter is pending before the Regional Director, Chennai.

We cannot assure you that SEBI or the Registrar of Companies or any other statutory or regulatory body will compound or condone the said violation or not take any further steps in this regard.

28. We may not be able to recover the expected value from the instruments collected from our customers and/ or the sale of collateral security, in the case of defaults in secured loan/facility.

Our secured loans are typically secured by creating a charge over the assets of our borrowers. We also collect NACH authorization letters from our customers at the time of disbursement of certain loans. However, there can be no assurance that these instruments would be honored when they are submitted to the respective banks for clearance. There can also be no assurance that we would be able to successfully retrieve payments due to us. Further, there can be no assurance that we would be able to sell such assets provided as collateral at prices sufficient to cover the amounts under default. Failure to recover or delay in recovering the expected value from sale of collateral security could expose us to potential losses, which could affect our business prospects, financial condition and results of operations.

29. ***Our Company is involved in legal and other proceedings. Any final judgment awarding material damages against us could have a material adverse impact on our future financial performance.***

We are currently involved in litigations (including civil or criminal, consumer and tax related proceedings). These proceedings are pending at different levels of adjudication before various forums including courts and tribunals. The majority of these cases arise in the normal course of business and we believe, based on the facts of the cases and consultation with counsel, that these cases generally do not involve the risk of a material adverse impact on our financial performance or stockholders' equity. We estimate the probability of losses that may be incurred in connection with legal and regulatory proceedings as of the date on which our standalone financial statements are prepared. We recognize a provision when we have a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

We determine the amount of provision based on our estimate of the amount required to settle the obligation at the balance sheet date, supplemented by our experience in similar situations. We review provisions at each balance sheet date and adjust them to reflect current estimates. In cases where the available information indicates that a loss is reasonably possible but the amount of such loss cannot be reasonably estimated, we make a disclosure to this effect in the standalone financial statements. When there is only a remote risk of loss, we do not recognize a provision nor do we include a disclosure in the standalone financial statements.

Such complaints, lawsuits and regulatory actions are costly to defend and can materially affect our financial condition, even if we are successful in defending them or effectively redress such complaints. If we are unsuccessful in defending these suits or regulatory actions or settling these complaints or disputes, we may have to pay significant damages or penalties. For details on litigations, please see '*Outstanding Litigations'* on page 290. We are also exposed to the risk of adverse publicity as a result of such complaints. Accordingly, even if we are successful in defending or settling them, our reputation could be materially harmed. If any of the above scenarios were to occur, they could materially and adversely affect our business, results of operations, financial condition, cash flows, prospects and our reputation.

30. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the finance industry, as well as theft, robbery, acts of terrorism and other force majeure events. We currently maintain insurance policies including group personal accident insurance, group life insurance, group mediclaim, fidelity guarantee insurance against losses sustained as a result of fraud and/ or dishonest conduct, and directors' and officers' liability insurance covering liability pay-outs by our directors and key officers. In addition, we have a money insurance policy pertaining to cash in safes and in transit. Our insurance policies may not be sufficient to cover our economic loss. None of our insurance policies are assigned in favor of any third-party. We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honored fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In particular, we do not maintain any direct insurance coverage over our loan portfolio. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

31. ***Our Company has resorted to some direct assignments and securitization transactions. Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact our financial performance.***

As part of our means of raising and/or managing our funds, we do assign or securitize a small portion of the receivables from our loan portfolio to banks and other institutions. Such assignment or securitization transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. During Fiscal 2023, funds raised by way of direct assignment amounted to ₹1,721.56 crore. There was ₹98.77 crore securitization transaction executed during Fiscal 2023. Further, as at March 31, 2023, the sold portion of direct assignments outstanding amounted to ₹1,534.04 crore and securitization outstanding as at March 31, 2023 amounted to ₹98.77 crore.

For such transactions, in the event that a relevant bank or institution or NBFC does not realize the receivables due under loans that have been securitized/ assigned, the relevant bank or NBFC can enforce the underlying credit enhancements assured by us, it could have a material adverse effect on our results of operations, financial condition and/or cash flows. Further, any deterioration in the performance of any batch of receivables assigned to banks and NBFCs could adversely affect our credibility and therefore our ability to conduct further assignments and securitizations. We may also be named as a party in legal proceedings initiated by an assignee in relation to the securitized assets. Should a substantial portion of our securitized/ assigned loans be put back to us, it could have an adverse effect on our financial condition and results of operations.

The commercial viability of assignment and securitization transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include (a) prohibition on carrying out securitization/ assignment transactions at rates lower than the prescribed base rate of the bank; (b) prohibition on NBFCs such as our Company from offering credit enhancements in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows; and (c) minimum holding period or 'seasoning' and minimum retention requirements of assignment and securitization loans.

Any adverse changes in the policy and/or regulations in connection with securitization of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitization market in general and our ability to securitize and/or assign our assets.

32. We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.

We enter into arrangements with third-party vendors, separate employees and independent contractors to provide services that include, among others, telecommunications infrastructure services and software services including for core banking, e-KYC solutions, field-automation of loan transactions, and customer onboarding. We also enter into agreements with credit bureaus for availing credit assessment and other services. We cannot guarantee that there will be no disruptions in the provision of such services or that these third-parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreements with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, and this may result in litigation or other costs. Further, certain of our agreements, including an agreement with a credit bureau, require us to indemnify our counterparties for certain losses, and limit contractual or other liabilities of our counterparties to fees or other amounts received by them from us for a certain period of time. If such indemnities are invoked, or if our counterparties limit their liabilities to an extent that our losses are not fully recovered, we may incur additional costs. Such additional costs, in addition to the cost of entering into agreements with third-parties in the same industry, may materially and adversely affect our business, financial condition and results of operations.

33. We are subject to the risks associated with all our premises being leased.

As of June 30, 2023, our Registered and Corporate Office, all our branches (except one branch in Madurai) and regional offices operate from premises taken on leave and license basis, and some of our agreements have expired except one of our centralized training centers which has been acquired by the Company, and are expected to be renewed. Termination of or failure to renew lease agreements with a fixed term of lease for these premises on terms and conditions favorable to us or at all, may require us to shift the concerned branch offices to new premises, and we may incur substantial rent escalation and relocation costs as a result. This might adversely affect our business operations and make us incur additional expenses. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of the terms of the lease agreements.

Further, certain lease agreements are not duly registered or adequately stamped. Failure to adequately stamp and register a document does not affect the validity of the underlying transaction but renders the document inadmissible in evidence (unless stamped prior to enforcement with payment of requisite penalties, which may be up to ten times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties

34. ***Our contingent liabilities could adversely affect our financial condition.***

As of March 31, 2023 we had the following contingent liabilities (as determined in accordance with IND AS-37) which have not been provided for:

(₹ in crores)

Particulars	Amount
Demand under employee Provident Fund Act, 1952	0.25
Income tax Demand for Assessment year 2017-18	2.62

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future. If the aforementioned contingent liabilities materialize, our profitability and cash flows may be adversely affected. See also "*Financial Statements*" on page 186 for Contingent Liabilities for March 31, 2023 (in accordance with IND AS-37).

35. ***This Tranche II Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.***

This Tranche II Prospectus includes unaudited financial information in relation to our Company and its Subsidiary for the three months ended June 30, 2023, in respect of which the Auditors have issued their Limited Review Report dated July 21, 2023. As Unaudited Financial Results prepared by our Company in accordance with Regulation 33 and 52 of the SEBI LODR Regulations have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI, and not to an audit, any reliance by prospective investors on such Limited Review Financial Information for the three months ended June 30, 2023 should, accordingly, be limited.

Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Tranche II Prospectus.

36. ***Incorrect actuarial valuations of retirement benefits carried out by independent actuaries and/ or changes in our defined benefit gratuity plan's liabilities and obligations could have a materially adverse effect on our financial condition.***

We operate a defined benefit gratuity plan for eligible employees. Under the defined benefit plans, there is an obligation to pay defined future benefits from the time of retirement. The calculation of the net obligation is based on valuations made by external actuaries who are qualified to do such valuations and estimations. These valuations rely on assumptions about a number of variables, including discount rate and mortality rates and salary increases. We rely on the valuations done by actuaries. Actuarial risk arises as the estimated value of the defined benefit scheme liabilities may increase due to changes in actuarial assumptions. While the valuation is done by qualified actuaries with the assumptions validated based on best estimate and judgment, we cannot assure you that the valuation in future would be accurate.

In addition, the defined benefit gratuity plan is administered by a third party and funded by an insurance company in the form of qualifying insurance policy. Should the value of assets to liabilities in respect of the defined benefit scheme operated by us record a deficit, due to either a reduction in the value of the defined benefit gratuity plan's assets (depending on the performance of financial markets) and/ or an increase in the defined benefit gratuity plan's liabilities due to changes in legislation, mortality assumptions, discount rate assumptions, inflation, the expected rate of return on scheme assets, or other factors, this could result in us having to make increased contributions to reduce or satisfy the deficits which would divert resources from use in other areas of our business and reduce our capital resources.

37. ***Our results of operations could be adversely affected as a result of any disputes with our employees.***

Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel in communication and service orientation skills. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance. There is risk of employee attrition due competitive environment. The attrition rate in MFI industry is generally high. CA Grameen's attrition rate for the financial year ended March 31, 2023 was 40.35%.

We employed 16,759 full-time employees as of March 31, 2023, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations.

Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

38. ***Third party industry and industry-related statistical data in this Tranche II Prospectus may be incomplete, out of date, incorrect or unreliable.***

Neither we, nor the Lead Manager have independently verified the third party and industry related data obtained from RBI bulletin July 2023, Volume LXXVII Number 7, ICRA Industry Reports, MFIN Report and CRIF Report Market Insights by CRIF and other industry sources referred in this Tranche II Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy and our industry in this Tranche II Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources may take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. See "*Industry Overview*" on page 89.

39. ***Our Executive Director and Key Managerial Personnel are interested in our Company by virtue of the shares and/ or ESOPs held by them.***

Our Executive Director and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or stock options held by them in our Company.

Our Executive Director and Key Managerial Personnel may also be deemed to be interested to the extent of dividend, if any payable to them and other distributions in respect of the equity shares and/ or equity shares held in the Company. For details of the shareholding of our Directors and Key Managerial Personnel, see "*Our Management*" on page 151.

40. ***We have negative cash flows from operations in recent periods. There is no assurance that such negative cash flows from operations shall not recur in the future.***

We had negative cash flows for operating activities in the past on account of high growth in loans and advances i.e., disbursals as compared with collections for the year and may have negative cash flows in the future.

The following table sets forth our cash flow on consolidated basis for the years indicated below:

(₹ in crores)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash (used in)/generated from operating activities (A)	(3,289.78)	(2,713.47)	(454.67)
Net cash (used in)/ generated from investing activities (B)	(314.43)	(32.96)	23.53
Net cash (used in)/ generated from financing activities (C)	3,365.07	1,966.89	2,146.36
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	(239.14)	(779.54)	1,715.22
Cash and cash equivalents as at the beginning of the year/ period	1,580.55	2,360.09	644.87

(₹ *in crores*)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cash and cash equivalents as at the end of the year/period	1,341.41	1,580.55	2,360.09

We cannot assure you that our net cash flows will be positive in the future.

For disclosure of cash flows of our Company, for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, as per Ind AS 107, please see *"Annexure C – Illustrative cash flow and day count convention"* on page 438.

41. ***The microfinance industry in India faces unique risks due to the category of customers that it services, which are generally not associated with other forms of lending.***

The focus customer segment for our microfinance business is low-income families across India with an annual household income of up to ₹3,00,000. Our customers generally have limited sources of income, savings and credit histories. In addition, although we are generally able to obtain credit reports from credit bureaus on our customers, to the extent that there is limited financial information available for our focus customer segment and customers do not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures or other related documents, it may be difficult to carry out credit risk analyses on them. As a result, such customers may pose a higher risk of default than customers with greater financial resources and more established credit histories and customers living in urban areas with better access to education, employment opportunities and social services.

Collections for our microfinance business are primarily in cash, exposing us to certain operational risks. Such cash collections expose us to the risk of theft, fraud, misappropriation or unauthorised transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. While we have taken insurance policies, including coverage for cash in safes and in transit, and undertaken measures to detect and prevent unauthorized transactions, fraud or misappropriation, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to criminal proceedings and civil litigation related to our cash collections. Although we have introduced collection points at banks and with third-party fintech vendors, key safety lockers, accompanying personnel such as senior loan officer and assistant branch manager for physical transportation of cash and conducted period audits, we may be unable to avoid all operational risks. This may adversely affect our business, results of operations and cash flows.

In addition, political and social risks, such as the negative publicity surrounding the growth and profitability of the microfinance industry, public criticism of the microfinance industry, or religious beliefs and convictions regarding the extension of credit and repayment of interest may deter our customers from fulfilling their obligations to us. In addition, the microfinance sector may be susceptible to election cycles. For example, political pressure by incumbents to write off loans or the announcements of debt waiver schemes by state governments ahead of general elections may result in an accretion of NPAs across the microfinance industry. Due to the precarious circumstances of our customers and our non-traditional lending practices, we may, in the future, experience increased levels of NPAs and related provisions and write-offs that may adversely affect our business, financial condition and results of operations. We cannot assure you that our monitoring and risk management procedures will effectively predict and/or prevent such losses or that loan loss reserves will be sufficient to cover actual losses.

42. ***We have not entered into any definitive arrangements to utilize the net proceeds of the Issue towards the objects of this Issue.***

We intend to use the Net Proceeds for the purposes described in *"Objects of the Issue"* on page 76. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilization for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in liquid (not equity) mutual funds. Such investments would be in accordance with the investment policies approved by our Board from time to time.

43. ***Our Company's business requires substantial capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on its liquidity and financial condition.***

Our liquidity and ongoing profitability are, to a large extent, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements have historically been met through a combination of borrowings from a well-diversified base of domestic and global lenders. Our finance costs were ₹384.92, ₹1,212.88, ₹984.14 crore and ₹928.72 crore for the three months ended June 30, 2023, Fiscal 2023, Fiscals 2022 and 2021 respectively. Our business growth, liquidity and profitability depend and will continue to depend on our ability to access diversified, relatively stable and low-cost funding sources as well as our financial performance, capital adequacy levels, credit ratings and relationships with lenders. As a financial services company, we have to adhere to certain regulatory requirements while obtaining financing. Any adverse developments or changes in applicable laws and regulations, which limit our ability to raise funds through term loans or securitisation or direct assignment transactions or through private placements of non-convertible debentures, can disrupt our sources of funding and as a consequence, could have a material adverse effect on our liquidity and financial condition.

Our Total Borrowings were ₹16,818.14 crore as at June 30, 2023 out of which ₹7,962.96 crores were to mature or repaid in less than a year. In order to meet these debt obligations, we will either need to refinance, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise additional retained earnings or generate sufficient operating cash flows to retire the debt. There can be no assurance that our business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

Our ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including deterioration in our financial performance or profitability, regulatory policies impacting the ability of lenders to lend to certain sectors such as NBFCs, liquidity in the credit markets, the strength of the lenders from which we borrow, the amount of eligible collateral, credit rating downgrade and accounting changes that may impact calculations of covenants in our financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our cost of funds and make it difficult for us to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our liquidity and financial condition.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, liquidity in the market, developments in international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us or refinancing and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, results of operations, cash flows and financial condition would be materially and adversely affected.

44. ***We continue to be controlled by our Promoter and it will continue to have the ability to exercise significant control over us. We cannot assure you that exercise of control by our Promoter will always favor our best interest.***

Our Promoter holds 66.77% of our outstanding Equity Shares as on June 30, 2023. Our Promoter exercises significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoter may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoter could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favor our best interest.

45. ***Our Company may be exposed to fluctuations in the market values of its investment and other asset portfolio.***

Financial market turmoil can adversely affect economic activity globally, including India. Deterioration in the credit and capital markets may result in volatility of our investment earnings and impairments to our investment and asset portfolio, including the assets in our Balance Sheet, which are maintained as a part of our liquidity management. Further, the value of our investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations, unforeseen tail events like the COVID-19 pandemic and the RBI's monetary policies. Any decline in the value of the investments could negatively impact our financial condition.

46. ***Our Company may face asset-liability mismatches which could affect its liquidity and consequently may adversely affect our Company's operations and profitability.***

Asset-liability mismatch represents a situation when financial terms of an institution's assets and liabilities do not match and is a key financial parameter indicative of an NBFC's performance. Our funding requirements are met through diverse funding sources such as i) term loans from banks, NBFCs, development financial institutions, ii) external commercial borrowings, iii) commercial papers, and iv) non-convertible debentures. The term loans from banks are predominantly co-terminus with the tenor of the loans given to our microfinance customers. The term loans from NBFCs and development financial institutions have tenor more than or equal to the tenor of the loans given to our customers. The external commercial borrowings and non-convertible debentures predominantly have tenor longer than the tenor of the loans given to our customers.

However, we may face potential variation in asset-liability mismatch and liquidity risk due to varying periods over which our assets and liabilities mature. If we are unable to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner to meet our maturing liabilities, or at all, this may lead to gaps and mismatches between our assets and liabilities, which in turn may adversely affect our liquidity position, and in turn, our operations and financial performance.

47. ***If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Further, some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

48. ***Our Company has entered into related party transactions and may continue to enter into related party transactions which may involve conflict of interest.***

Our Company has entered into related party transactions, within the meaning of Ind AS 24 as issued by the Companies (Indian Accounting Standards) Rules, 2015. Such transactions, in future, may give rise to current or potential conflicts of interest with respect to dealings between our Company and such related parties. While our Company believes that all related party transactions entered into are conducted on an arms' length basis and in the ordinary course of business, there can be no assurance that it could not have achieved more favourable terms if such transactions had not been entered into with related parties. Additionally, there can be no assurance that any dispute that may arise between our Company and related parties will be resolved in our Company's favor. For further details on related party transactions, please see the chapter "*Related Party Transactions*" on page 183.

49. ***We may undertake acquisitions, strategic investments, restructuring in future. Any failure to complete such strategic decisions may adversely affect our reputation or growth prospects.***

Pursuant to the Scheme of Amalgamation, we have undergone merger with our erstwhile subsidiary, MMFL. We may, depending on our management's view and market conditions, pursue additional strategic investments, undertake acquisitions and enter into joint ventures. We cannot assure you that we will be able to undertake such strategic investments, acquisitions (including by way of a merger, or share or asset acquisition) or joint ventures in the future, either on terms acceptable to us or at all. Moreover, we require regulatory approval for acquisitions, and we cannot guarantee that we will receive such approvals in a timely manner, or subject to any conditions, or at all. Any inability to identify suitable acquisition targets or investments or failure to complete such transactions may adversely affect our competitiveness or growth prospects.

50. Climate change and health epidemics could have a negative impact on the Indian economy and could cause our business to suffer.

Our business could be materially and adversely affected by the outbreak of public health epidemics, pandemic, endemic or the fear of such an outbreak, in India or elsewhere. In January 2020, an outbreak of a strain of coronavirus, COVID-19, which has spread globally, with cases recorded in various parts of the globe including China, Australia, Italy, Iran, Japan, South Korea, UAE, Thailand, the United States and India, among other countries. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a health emergency of international concern. Governments around the world had to impose a number of measures designed to contain the outbreak, including business closures, travel restrictions, quarantines, lockdown and cancellations of gatherings and events. This in turn has impacted the operation of businesses, reduced regional travels and trade and lowered industrial production and consumption demand. If the outbreak of any of these epidemics, pandemics, endemics or other severe epidemics, continues for an extended period, occurs again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, financial condition, cash flows and results of operations. Similarly, any other future public health epidemics in India could materially and adversely affect our business, financial condition, cash flows, results of operations and prospects.

Risks Relating to Regulations

51. We operate in a highly regulated environment.

We operate in a highly regulated environment in which we are regulated by the SEBI, RBI, the MCA, the Registrar of Companies and other domestic and international regulators. Accordingly, legal and regulatory risks are inherent and substantial in our businesses. As we operate under licenses or registrations obtained from appropriate regulators, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators.

Being regulated, we are subject to regular scrutiny and supervision by their respective regulators, such as regular inspections that may be conducted by the RBI. The requirements imposed by regulators are designed to ensure the integrity of the financial markets and to protect investors and depositors. Any non- compliance with regulatory guidelines and directions may result in substantial penalties and reputational impact, which may affect the price of our securities. Among other things, in the event of being found non-compliant, we could be fined or prohibited from engaging in certain business activities.

Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business. For e.g., RBI has recently introduced the Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 ("RBI MFI Master Directions"), pursuant to which RBI has *inter alia* increased the annual household income limit of borrowers up to ₹3,00,000, capped the loan repayment obligation of the household to 50% of the monthly household income, regulated the pricing of loans etc. The RBI MFI Directions will require us to put in place additional procedures and processes undertaking comprehensive data checks to determine annual household income for determination of maximum permissible limits and for other compliances under the RBI MFI Directions.

In addition, we are also exposed to the risk of us or any of our employees being non-compliant with insider trading rules or engaging in front running in securities markets. In the event of any such violations, regulators could take regulatory actions, including financial penalties against us and the concerned employees. This could have a materially adverse financial and reputational impact on us.

52. ***Our ability to raise foreign funds may be constrained by Indian law.***

As an Indian NBFC – MFI, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness.

We frequently raise funds through external commercial borrowings, there can be no assurance that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

53. ***The audited standalone financial statements for Fiscal 2022 and Fiscal 2021, included in this Tranche II Prospectus are not comparable with the Audited Standalone Financial Statements for Fiscal 2023.***

Pursuant to the Scheme of Amalgamation, MMFL, our erstwhile subsidiary, merged with our Company w.e.f. February 15, 2023. Our Company has given effect of the merger in the audited financial statements for Fiscal 2023. As the Scheme of Amalgamation having been made effective from the Appointed date i.e. April 1, 2020, the comparative numbers for the previous years (i.e. for Fiscal 2022 and Fiscal 2021) included in the statement of assets and liabilities for Fiscal 2023 and for the previous year (i.e. for Fiscal 2022) in the statement of profit and loss and the statement of cash flow for the financial year 2023, have been restated to give effect to the Scheme of Amalgamation.

The audited financial statements for Fiscal 2022 and audited financial statements for fiscal 2021 are not comparable with the comparative numbers for the previous years (i.e. for Fiscal 2022 and Fiscal 2021) included in the audited financial statements for Fiscal 2023.

54. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, across the multiple jurisdictions we operate in may materially adversely affect our business and financial performance.***

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general and microfinance businesses, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations, in India.

The governmental and regulatory bodies in India where we operate may notify new regulations and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations. See "*Regulations and Policies*" on page 184.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For instance:

- The General Anti Avoidance Rules ("**GAAR**") came into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in a denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. GAAR provisions may have an adverse tax impact on us; and

- The Government of India has implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017 that combines taxes and levies by the Central and State Governments into a unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions.

Further, as of June 30, 2023, we had a total of 17,391 full-time employees. Our full-time employees are employed by us and are entitled to statutory employment benefits, such as a defined benefit gratuity plan, among others.

We are subject to various labour laws and regulations governing our relationships with our employees including in relation to minimum wages, working hours, overtime, working conditions.

A change of law that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all can affect the productivity of the employees.

A change of law that requires us to treat and extend benefits to our outsourced personnel, and personnel retained on a contractual basis, similar to our full-time employees may create potential liability for us. If we fail to comply with current and future health and safety and labour laws and regulations at all times, including obtaining relevant statutory and regulatory approvals, this could materially and adversely affect our business, future financial performance and results of operations.

55. In order to support and grow our business, we must maintain a minimum capital to risk weighted assets ratio, and a lack of access to the capital markets may prevent us from maintaining an adequate ratio.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15.00% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. Our ability to support and grow our business would become limited if the CRAR is low. While we may access the capital markets to offset any declines to our CRAR, we may be unable to access the markets at the appropriate time or the terms of any such financing may be unattractive due to various reasons attributable to changes in the general environment, including political, legal and economic conditions. Our standalone CRAR calculated on the basis of the RBI norms applicable to NBFC – MFI – was 23.58%, 26.54% and 31.75% as at March 31, 2023, 2022 and 2021 respectively, while its Tier I Capital as at March 31, 2023 was 22.69%.

As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable CRAR with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us, and this may adversely affect the growth of our business. In addition, any changes in the RBI or other government regulations in relation to securitizations and/ or assignments, by NBFCs in general or MFIs specifically could have an adverse impact on our assignment and securitization plans in the future. This may result in non–compliance with applicable capital requirements, which could have a material adverse effect on our business prospects, financial condition and results of operations.

If we are unable to meet any existing or new and revised requirements, our business, future financial performance and the price of our Equity Shares could be adversely affected.

56. Any non-compliance with mandatory AML and KYC policy could expose us to additional liability and harm our business and reputation.

In accordance with the requirements applicable to us, we are mandated to comply with applicable anti- money-laundering ("AML"), combatting terrorism financing and antiterrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed Know Your Customer ("KYC") procedures and detect fraud and money laundering by dishonest customers. For further details, see "*Regulations and Policies*" on page 172. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our business networks for illegal money-laundering activities, there may be instances where we may be used by other parties in attempts to engage in money- laundering and other illegal or improper activities.

Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance, and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

Risks Relating to India

57. ***Financial difficulty and other problems in certain financial and other non-banking financial institutions in India could materially adversely affect our business.***

We are exposed to the risks of the Indian financial system. The financial difficulties faced by certain Indian financial and non-banking financial institutions could materially and adversely affect our business because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such "systemic risk", may materially adversely affect financial intermediaries, such as clearing agencies, banks, NBFCs, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and materially adversely affect our business. Our transactions with these financial institutions and other non-banking financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

58. ***India's existing credit information infrastructure may cause increased risks of loan defaults.***

All of our business is located in India. India's existing credit information infrastructure may pose problems and difficulties in running a robust credit check on our borrowers. We may also face difficulties in the due diligence process relating to our customers or to any security or collateral we take in relation to our loans. We may not be able to run comprehensive searches relating to the security and there are no assurances that any searches we undertake will be accurate or reliable. Hence, our overall credit analysis could be less robust as compared to similar transactions in more developed economies. Any inability to undertake a comprehensive due diligence or credit check might result in an increase in our NPAs and we may have to increase our provisions correspondingly. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and cash flows.

59. ***Financial or geo-political instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic, geo-political and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial or geo-political instability could also have a negative impact on the Indian economy. Such worldwide financial instability could arise out of, for example, current developments relating to Ukraine which have prompted many western countries to impose financial and other sanctions on Russia. Financial disruptions may occur again and could harm our business and our future financial performance.

Investors should be aware that there is a recent history of financial crises and boom-bust cycles in multiple markets in both emerging and developed economies which leads to risks for all financial institutions, including the Company. We remain subject to the indirect economic effect of any potential tightening in global credit conditions, some of which cannot be anticipated and the vast majority of which are not under our control. We also remain subject to counterparty risk arising from financial institutions that can fail or are otherwise unable to meet their obligations under their contractual commitment to us.

60. ***If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.***

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth.

Consequently, we may also be affected and fall short of business growth and profitability.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

As mentioned in "*Risk Factor - Financial or geo-political instability in other countries may cause increased volatility in Indian financial markets"* above, worldwide financial instability could also have impact on India. For example, the global crude prices have already jumped since the onset of war in Ukraine at end of February 2022 and if the crude prices do not cool down soon, India's energy imports could lead to higher inflation in India.

61. Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.

India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB-with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Company's control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. Any such adverse development could adversely affect our business, financial condition and results of operations.

62. Any volatility in exchange rates may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact us.

Foreign inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. The widening current account deficit has been attributed largely to the surge in gold and oil imports.

Further, increased volatility in foreign flows may also affect monetary policy decision making. For instance, a period of net capital outflows might force the RBI to keep monetary policy tighter than optimal to guard against any abnormal currency depreciation.

63. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries would negatively affect the Indian market where our shares trade and lead to a loss of confidence and impair travel, which could reduce our customers' appetite for our products and services.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares are proposed to be listed and traded and could also materially adversely affect the global financial markets. In addition, any deterioration in relations between India and its neighbors might result in investor concern about stability in the region, which could materially adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Such incidents also create a greater perception that investment in Indian companies involves a higher degree of risk, which could have an adverse impact on our business and the price of our Equity Shares.

64. Companies operating in India are subject to a variety of taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty, tax on dividends and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

65. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.

A decline in India's foreign exchange reserves could affect the liquidity and result in higher interest rates in the Indian economy, which could adversely affect our business, future financial performance, results of operations and financial condition.

66. There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India and that in the markets in the United States and certain other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in certain other countries. As a result, investors may have access to less information about the business, results of operations, cash flows and financial conditions, and those of the competitors that are listed on BSE and NSE and other stock exchanges in India on an on-going basis than you may find in the case of companies subject to reporting requirements of other more developed countries.

67. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are listed and traded on the BSE and the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by the following external risks, should any of them materialize:

- changes in exchange rates and controls;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- political instability, resulting from a change in government or in economic and fiscal policies;
- civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India; or
- natural calamities and force majeure events.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business and economic conditions in India generally and our business and prospects.

India has in the past experienced community disturbances, strikes, riots, terror attacks, epidemics and natural disasters. India has also experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. There can be no assurance that we will not be affected by natural or man- made disasters in India or elsewhere in the future. These acts and occurrences and any increase in their frequency could have an adverse effect on the financial markets and the economy of India and of other countries, thereby resulting in a loss of business confidence and a suspension of our operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks relating to the Issue and NCDs.

68. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, inter alia, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favor of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover for the NCDs, and it will be the duty of the Debenture Trustee to monitor that the security is maintained, however, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs and shall depend on the market scenario prevalent at the time of the enforcement of the security. A failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

69. There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

70. There may be a delay in making refund/ unblocking of funds to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your Applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

71. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

72. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchange in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on stock exchange in a timely manner, or at all.

73. You may be subject to taxes arising on the sale of the NCDs.

Sale of NCDs by any holder may give rise to tax liability, as discussed in section entitled "*Statement of Possible Tax Benefits*" on page 80.

74. Legal investment considerations may restrict certain investment.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the NCDs are legal investments for it, (ii) the NCDs can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the NCDs.

75. The NCDs are subject to the risk of change in law.

The terms and conditions of the NCDs are based on Indian law in effect as of the date of issue of the relevant NCDs. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the relevant NCDs and any such change could materially and adversely impact the value of any NCDs affected by it.

76. The Issuer, being a listed NBFC company is not required to maintain a debenture redemption reserve ("DRR").

Our Equity Shares are listed on BSE and NSE. Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a listed company is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as Sanni Collection Private Limited on June 12, 1991 at Calcutta, West Bengal, India as a private limited company under the Companies Act, 1956. Our Company's name was changed from Sanni Collection Private Limited to Grameen Financial Services Private Limited and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the Registrar of Companies, West Bengal on March 14, 2008. Our Company's name was changed to Grameen Koota Financial Services Private Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Bangalore on November 13, 2014. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 27, 2017 and the name of our Company was changed to Grameen Koota Financial Services Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on December 18, 2017. Subsequently, pursuant to a resolution passed by our shareholders at the EGM held on January 2, 2018, the name of our Company was changed to CreditAccess Grameen Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 12, 2018. Our Company holds a certificate of registration dated January 19, 2018 bearing registration number B - 02.00252 issued by RBI to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the Reserve Bank of India Act, 1934. For details of the business of our Company, see "*Our Business*" beginning on page 117.

For further details in relation to the changes in our name, constitution, and registration with the RBI, see "*History and Main Objects*" on page 148.

Registration:

CIN: L51216KA1991PLC053425
LEI: 335800YHFDVKKBDQMK23
RBI registration number: B – 02.00252

Permanent Account Number: AAECS7201G

Registered Office and Corporate Office:

CreditAccess Grameen Limited
New No. 49 (Old No. 725),
46th Cross, 8th Block, Jayanagar,
Next to Rajalakshmi Kalyana Mantap,
Bengaluru 560 070,
Karnataka, India
Tel: +91 80 2263 7300
Fax: +91 80 2664 3433
Website: www.creditaccessgrameen.in
Email: csinvestors@cagrameen.in

For further details regarding changes to our Registered Office, see "*History and Main Objects*" on page 148.

Registrar of Companies, Karnataka at Bengaluru
Registrar of Companies,
'E' Wing, 2nd Floor,
Kendriya Sadana,
Koramangala,
Bengaluru – 560 034,
Karnataka, India

Liability of the members of the Company

Limited by shares

Chief Financial Officer

S Balakrishna Kamath
New No. 49 (Old No. 725),
46th Cross, 8th Block, Jayanagar,
Next to Rajalakshmi Kalyana Mantap,
Bengaluru 560 070, Karnataka, India
Tel: +91 80 2263 7300
Fax: +91 80 2664 3433
E-mail: csinvestors@cagrameen.in

Company Secretary and Chief Compliance Officer

Mahadev Prakash Jayakumar Matada
New No. 49 (Old No. 725),
46th Cross, 8th Block,
Jayanagar, Next to Rajalakshmi Kalyana Mantap,
Bengaluru 560 070, Karnataka, India
Tel: +91 80 2263 7300
Fax: +91 80 2664 3433
E-mail: cs@cagrameen.in

Investors may contact the Registrar to the Issue or our Company Secretary and Chief Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, non-receipt of debentures certificates (in case of NCDs which have been re-materialised), transfers, etc. as the case may be.

Lead Manager

A. K. Capital Services Limited
603, 6th Floor, Windsor, off CST Road,
Kalina, Santacruz (East), Mumbai – 400 098
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: cagl.ncd2022@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact person: Aanchal Wagle/ Milan Soni
Compliance Officer: Tejas Davda
SEBI Registration Number: INM000010411
CIN: L74899MH1993PLC274881

Debenture Trustee

Catalyst Trusteeship Limited
GDA House, Plot No. 85,
Bhusari Colony (Right),
Kothrud, Pune – 411 038, Maharashtra
Tel: +91 22 4922 0555
Email: ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi
Compliance Officer: Rakhi Kulkarni

SEBI Registration No: IND000000034
CIN: U74999PN1997PLC110262

Catalyst Trusteeship Limited has, pursuant to regulation 8 of SEBI NCS Regulations, by its letter dated June 7, 2022 given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as "**Trustees**"). A copy of letter from Catalyst Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Tranche II Issue is annexed as *Annexure B.*

All the rights and remedies of the Debenture Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for the Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity.

Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders to that extent. For details on the terms of the Debenture Trust Deed, please see "*Issue Related Information*" on page 326.

Registrar to the Issue

KFin Technologies Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll Free Number: 1800 309 4001
Email: cagl.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@ kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

KFIN Technologies Limited, has by its letters dated September 7, 2022 and August 17, 2023 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Investors may contact the Registrar to the Issue or our Company Secretary and Chief Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, unblocking, non-receipt of debentures certificates (in case of NCDs which have been re-materialised), transfers, etc. as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection center of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centers, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchanges may be addressed directly to the relevant Stock Exchanges.

Consortium member to the Issue

A. K. Stockmart Private Limited
601-602, 6th Floor, Windsor,
Off CST Road, Kalina, Santacruz – (East),
Mumbai 400 098
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Investor Grievance Email: investor.grievance@akgroup.co.in
Contact Person: Ashit Raja/Ranjit Dutta
Email: ashit.raja@akgroup.co.in, ranjit.dutta@akgroup.co.in
SEBI Registration Number: INZ000240830

Bankers to the Issue

Public Issue Account Bank, Sponsor Bank and Refund Bank

ICICI Bank Limited
Capital Market Division, 1st Floor,
5th Floor, HT Parekh Marg
Churchgate, Mumbai 400 020
Tel: + 91 22 6805 2182
Website: www.icicibank.com
Contact Person: Sagar Welekar
Email: sagar.welekar@icicibank.com/ ipocmg@icicibank.com
SEBI Registration Number: INBI00000004

Joint Statutory Auditors

Deloitte Haskins & Sells
ASV N Ramana Tower,
52, Venkatnarayana Road,
T. Nagar, Chennai – 600 017, India
Tel: +91 44 6688 5000
Email: sgk@deloitte.com
Firm Registration Number: 008072S
Contact Person: G. K. Subramaniam

PKF Sridhar & Santhanam LLP
T8 & T9, Third Floor
Gem Plaza, 66, Infantry Road
Bangalore – 560 001, India
Tel: +91 +91 80 4130 7244
Email: admin@pkfindia.in
Firm Registration Number: 003990S
Contact Person: Seethalakshmi M

Deloitte Haskins & Sells was appointed as the statutory auditor of our Company on August 11, 2020 and PKF Sridhar & Santhanam LLP was appointed as the joint statutory auditor since March 18, 2022.

For change in statutory auditors in last three years, please see '*Other Regulatory and Statutory Disclosures*' on page 299.

Credit Rating Agency

India Ratings & Research Private Limited
Wockhardt Tower, Level 4, West Wing,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051, Maharashtra, India
Tel: +91 9920988970
Fax: +91 22 4000 1701
Email: aishwarya.khandelwal@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Aishwarya Khandelwal
Compliance Officer: Arunima Basu
SEBI Registration No: IN/CRA/002/1999
CIN: U67100MH1995FTC140049

Credit Rating and Rationale

"IND AA-/Stable" for an amount of ₹ 1,500 crores by India Ratings *vide* their rating letter dated August 4, 2022 and further revalidated vide letter dated September 8, 2022 and further affirmed vide letter dated April 24, 2023**.** The rating given by the Credit Rating Agency is valid as on the date of this Tranche II Prospectus and shall remain valid until the ratings are revised or withdrawn. Ratings issued by India Ratings & Research will continue to be valid for the life of the instrument unless withdrawn or reviewed India Ratings & Research Private Limited, in terms of the rating agreement dated July 19, 2022. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. These ratings are subjected to a periodic review during which they may be raised, affirmed, lowered, withdrawn, or placed on Rating Watch at any time on the basis of factors such as new information. The rating should be evaluated independently of any other rating. The Credit Rating Agency's website will have the latest information on all its outstanding ratings. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rating, rating rationale and press release for the above ratings, see Annexure A of this Tranche II Prospectus.

Disclaimer Statement of India Ratings & Research Private Limited

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers an underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

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Contact Person: Dhanajay Mahapatra

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:
"Any person who —

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 0.1 crores or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.1 crores or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.5 crores or with both.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Underwriting

The Issue is not underwritten**.**

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size i.e. ₹ 300 Crore. If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 300 Crore, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or

Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Designated Intermediaries

Self-Certified Syndicate Bank

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=44 as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45 and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI Master Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centers, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the website of BSE and NSE for CRTAs and CDPs, as updated from time to time.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see, "*Objects of the Issue*" beginning on page 76.

Issue Programme*

TRANCHE II ISSUE OPENS ON	Thursday, August 24, 2023
TRANCHE II ISUE CLOSES ON	Wednesday, September 6, 2023
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors or the Executive, Borrowings & Investment Committee approves the Allotment of the NCDs for the Tranche II

	Issue or such date as may be determined by the Board of Directors/ or the Executive, Borrowings & Investment Committee thereof and notified to the Designated Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

**The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Tranche II Prospectus, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the EBI Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations and subject to not exceeding thirty days from filing this Tranche II Prospectus with ROC. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche II Issue Period. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.*

*Applications Forms for the Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(Indian Standard Time) ("**Bidding Period**") or such extended time as may be permitted by the Stock Exchanges, during the Tranche II Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Tranche II Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Tranche II Issue Closing Date.*

Due to limitation of time available for uploading the Applications on the Tranche II Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche II Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche II Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Tranche II Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as on June 30, 2023, is set forth below:

Share Capital	(In ₹)
AUTHORISED SHARE CAPITAL	
16,00,00,000 Equity Shares of ₹ 10 each	160,00,00,000
Total Authorised Share Capital	**160,00,00,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
15,89,27,408 Equity Shares of ₹ 10 each fully paid up	158,92,74,080
Total	**158,92,74,080**
Securities Premium Account	**24,79,77,49,666**

Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

Details of change in authorised share capital of our company in the preceding three financial years and current financial year.

Subsequent to the approval of the Scheme of Amalgamation as detailed in "*History and Certain Other Corporate Matters – Scheme of Amalgamation*" on page 150, we have filed an application with Registrar of Companies, Karnataka at Bengaluru requesting for absorption of the authorized share capital of Madura Micro Finance Limited in the authorized share capital of CreditAccess Grameen Limited. The application is currently pending. There is no change in authorised share capital since last three financial years and current financial year.

Issue of Equity Shares for consideration other than cash in the three years preceding June 30, 2023

Our Company has allotted 26,75,351 Equity Shares on March 27, 2023, to identified shareholders of erstwhile MMFL, which has amalgamated with our Company pursuant to the Scheme of Amalgamation. For more details, please see "*History and Main Objects - Scheme of Amalgamation*" on page 150.

Changes in the Equity Share capital of our Company in the in the preceding three financial years and current year:

Date of Allotment	No of Equity Shares	Face Value	Issue Price (₹) *	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative		
						No. of Equity Shares	Equity Share Capital (₹ in crores)	Equity Share Premium (₹ in crores)
May 1, 2020	8,162	10	120.87	Cash	ESOP	14,39,93,621	143.99	1,438.74
May 11, 2020	9,000	10	39.86	Cash	ESOP	14,40,34,917	144.03	1,439.03
	13,000	10	63.90					
	5,000	10	84.47					
	14,296	10	120.87					
June 09, 2020	6,000	10	39.86	Cash	ESOP	14,40,56,800	144.06	1,439.17
	8,750	10	63.90					
	1,300	10	84.47					
	5,833	10	120.87					
July 11, 2020	1,500	10	39.86	Cash	ESOP	14,40,75,609	144.08	14,393.59
	2,500	10	84.47					
	14,809	10	120.87					
August 14, 2020	6,250	10	63.90	Cash	ESOP	14,40,84,631	144.08	1,439.42
	2,772	10	120.87					
September 15, 2020	7,750	10	63.90	Cash	ESOP	14,41,12,255	144.11	1,439.66
	7,500	10	84.47					
	12,374	10	120.87					

Date of Allotment	No of Equity Shares	Face Value	Issue Price (₹) *	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (₹ in crores)	Cumulative Equity Share Premium (₹ in crores)
October 08, 2020	1,13,15,323	10	707.00	Cash	Qualified Institutions Placement	15,54,27,578	155.43	2,229.12
October 15, 2020	2,000	10	27.00	Cash	ESOP	15,54,75,289	155.48	2,229.46
	25,000	10	63.90					
	7,500	10	84.47					
	13,211	10	120.87					
November 17, 2020	500	10	63.90	Cash	ESOP	15,54,81,461	155.48	2,229.52
	5,672	10	120.87					
December 15, 2020	3,500	10	39.86	Cash	ESOP	15,54,91,471	155.49	2,229.59
	2,700	10	84.47					
	3,810	10	120.87					
January 08, 2021	4,971	10	120.87	Cash	ESOP	15,54,96,442	155.50	2,229.64
February 25, 2021	500	10	63.90	Cash	ESOP	15,55,34,223	155.53	2,230.01
	37,281	10	120.87					
March 10, 2021	500	10	39.86	Cash	ESOP	15,55,52,564	155.55	2,230.17
	2,250	10	63.90					
	2,550	10	84.47					
	13,041	10	120.87					
March 31, 2021	9,000	10	39.86	Cash	ESOP	15,55,82,040	155.58	2,230.35
	5,000	10	63.90					
	5,800	10	84.47					
	9,676	10	120.87					
May 13, 2021	1,000	10	27.00	Cash	ESOP	15,55,95,673	155.60	2,230.46
	4,750	10	84.47					
	7,883	10	120.87					
June 09,2021	500	10	39.86	Cash	ESOP	15,56,08,907	155.61	2,230.58
	1,000	10	63.90					
	1,150	10	84.47					
	10,584	10	120.87					
July 09, 2021	500	10	27.00	Cash	ESOP	15,56,77,671	155.68	2,231.12
	8,500	10	63.90					
	28,500	10	84.47					
	31,264	10	120.87					
August 10, 2021	500	10	39.86	Cash	ESOP	15,57,16,410	155.72	2,231.35
	15,800	10	63.90					
	16,000	10	84.47					
	6,439	10	120.87					
September 8, 2021	500	10	39.86	Cash	ESOP	15,57,16,781	155.74	2,231.58
	450	10	63.90					
	14,100	10	84.47					
	12,957	10	120.87					
October 6, 2021	13,400	10	84.47	Cash	ESOP	15,57,64,395	155.76	2,231.73
	6,578	10	120.87					
November 8, 2021	1,000	10	84.47	Cash	ESOP	15,57,68,883	155.77	2,231.89
	3,488	10	120.87					
December 6, 2021	8,300	10	84.47	Cash	ESOP	15,57,85,711	155.79	2,231.96
	8,528	10	120.87					
January 7, 2022	1,500	10	84.47	Cash	ESOP	15,57,97,700	155.80	2,232.07
	10,489	10	120.87					
February 8, 2022	750	10	63.90	Cash	ESOP	15,58,47,538	155.85	2,232.55
	6,000	10	84.47					
	43,088	10	120.87					
March 7, 2022	4,000	10	84.47	Cash	ESOP	15,58,66,346	155.87	2,232.85

Date of Allotment	No of Equity Shares	Face Value	Issue Price (₹) *	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative		
						No. of Equity Shares	Equity Share Capital (₹ in crores)	Equity Share Premium (₹ in crores)
	12,958	10	120.87					
	1,850	10	786.91					
April 8, 2022	5,642	10	120.87	Cash	ESOP	15,58,71,988	155.87	2,232.91
May 10, 2022	3000	10	84.47	Cash	ESOP	15,59,12,435	155.91	2,233.62
	33,322	10	120.87					
	4,125	10	786.91					
June 6, 2022	18,529	10	39.86	Cash	ESOP	15,59,30,964	155.93	2,233.85
July 09, 2022	42,000	10	63.90	Cash	ESOP	15,59,82,242	155.98	2,234.51
	9,153	10	120.87					
	125	10	786.91					
August 10, 2022	3,000	10	84.47	Cash	ESOP	15,59,89,402	155.99	2,234.60
	3,910	10	120.87					
	250	10	786.91					
September 10,2022	10,000	10	63.90	Cash	ESOP	15,61,05,458	156.11	2,235.63
	56,500	10	84.47					
	49,481	10	120.87					
	75	10	786.91					
October 07, 2022	750	10	84.47	Cash	ESOP	15,61,21,973	156.12	2,235.84
	15,215	10	120.87					
	550	10	786.91					
November 09,2022	1,000	10	63.9	Cash	ESOP	15,61,27,985	156.13	2,235.90
	350	10	84.47					
	4662	10	120.87					
December 15, 2022	35,000	10	63.9	Cash	ESOP	15,61,70,732	156.17	2,236.20
	2,500	10	84.47					
	4,697	10	120.87					
	550	10	786.91					
January 10, 2023	6,250	10	63.9	Cash	ESOP	15,61,85,905	156.19	2,236.35
	3,250	10	84.47					
	5,298	10	120.87					
	375	10	786.91					
February 09, 2023	4,000	10	84.47	Cash	ESOP	15,62,08,894	156.21	2,237.30
	8,324	10	120.87					
	10,665	10	595.68					
March 06, 2023	2,361	10	120.87	Cash	ESOP	15,62,12,455	156.21	2,237.42
	1,200	10	786.91					
March 24, 2023	4,000	10	63.9	Cash	ESOP	15,62,31,092	156.23	2,237.74
	2,500	10	84.47					
	9,012	10	120.87					
	3,125	10	595.68					
March 27, 2023	26,75,351	10	NA	Other than cash	Allotment pursuant to merger	15,89,06,443	158.91	NA
May 16, 2023	736	10	120.87	Cash	ESOP	15,89,11,029	158.91	2,237.99
	3,350	10	595.68					
	500	10	786.91					
June 14, 2023	2,000	10	63.9	Cash	ESOP	15,89,27,408	158.93	2,238.70
	3,204	10	120.87					
	10,275	10	595.68					
	900	10	786.91					
July 07, 2023	44,250	10	63.9	Cash	ESOP	15,90,64,334	159.06	2,240.29
	76,500	10	84.47					
	4,086	10	120.87					
	10,810	10	595.68					

Date of Allotment	No of Equity Shares	Face Value	Issue Price (₹) *	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative		
						No. of Equity Shares	Equity Share Capital (₹ in crores)	Equity Share Premium (₹ in crores)
	1,280	10	786.91					
August 10, 2023	5,900	10	84.47	Cash	ESOP	15,90,80,446	159.080	2,240.84
	2,512	10	120.87	Cash	ESOP			
	6,450	10	595.68	Cash	ESOP			
	1,250	10	786.91	Cash	ESOP			

Shareholding pattern of our Company as on June 30, 2023

Table I - Summary Statement holding of specified securities

Cate gory	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No.	As a % of total Shares held	
								Class eg: Equity Shares	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	1	106109028			106109028	66.77	106109028		106109028	66.77		66.77					106109028
(B)	Public	40621	52818380			52818380	33.23	52818380		52818380	33.23		33.23					52815711
(C)	Non- Promoter – Non-Public																	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employees Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total:	**40622**	**158927408**			**158927408**	**100**	**158927408**		**158927408**	100		100					158924739

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Cate gory	Category & Name of the Shareholder	PAN	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(1)	Indian																		
(a)	Individuals/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	PAN	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	Hindu undivided Family																		
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Foreign																		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other		1	106109028			106109028	66.77	106109028		106109028	66.77		66.77					106109028
	CREDITACCESS INDIA B.V.	AAJCM2225K	1	106109028			106109028	66.77	106109028		106109028	66.77		66.77					106109028
	Sub-Total (A)(2)		**1**	**106109028**			**106109028**	66.77	**106109028**		**106109028**	66.77		66.77					**106109028**

Table III- Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+ VI)	Shareholding as a % of total no of shares (A+B+ C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+ C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Institutions (Domestic)																		
(a)	Mutual Funds		20	16327102			16327102	10.27	16327102		16327102	10.27		10.27					16327102
	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMA	AAATR 0090B	1	5886853			5886853	3.70	5886853		5886853	3.70		3.70					5886853
	PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA	AABTP 7548P	1	2154920			2154920	1.36	2154920		2154920	1.36		1.36					2154920
(b)	Venture Capital Funds		0	0			0	0.00	0		0	0.00		0.00					0
(c)	Alternate Investment Funds		5	207421			207421	0.13	207421		207421	0.13		0.13					207421
(d)	Banks		0	0			0	0.00	0		0	0.00		0.00					0
(e)	Insurance Companies		5	2390736			2390736	1.50	2390736		2390736	1.50		1.50					2390736
	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	AAACI 7351P	1	1725679			1725679	1.09	1725679		1725679	1.09		1.09					1725679
(f)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Asset Reconstruction Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	NBFC Registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j)	Other Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)		**30**	**18925259**			**18925259**	**11.91**	**18925259**		**18925259**	**11.91**		**11.91**					**18925259**

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(2)	Institutions (Foreign)																		
(a)	Foreign Direct Investment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Foreign Venture Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Sovereign Wealth Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors Category I		122	13386453	-	-	13386453	8.42	13386453		13386453	8.42	-	8.42	-	-	-	-	13386453
	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	AAACT 6074A	1	1730148	-	-	1730148	1.09	1730148		1730148	1.09	-	1.09	-	-	-	-	1730148
	GOVERNMENT PENSION FUND GLOBAL	AACCN 1454E	1	2163316	-	-	2163316	1.36	2163316		2163316	1.36	-	1.36	-	-	-	-	2163316
(e)	Foreign Portfolio Investors Category II		12	1801554	-	-	1801554	1.13	1801554		1801554	1.13	-	1.13	-	-	-	-	1801554
(f)	Overseas Depositories (holding DRs) (balancing figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Any Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)		**134**	**15188007**			**15188007**	**9.56**	**15188007**		**15188007**	**9.56**		**9.56**					**15188007**
(3)	Central Government/State Government(s)/President of India																		
(a)	Central Government / President of India		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	State Government / Governor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(3)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(4)	Non-Institutions																		
(a)	Associate companies / Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Directors and their relatives (excluding independent directors and nominee directors)		1	239735	-	-	239735	0.15	239735		239735	0.15	-	0.15	-	-	-	-	239735
(c)	Key Managerial Personnel		3	9475	-	-	9475	0.01	9475		9475	0.01		0.01	-	-	-	-	9475
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	PAN	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(f)	Investor Education and Protection Fund (IEPF)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Resident Individuals holding nominal share capital up to ₹ 2 lakhs		38161	3033971			3033971	1.91	3033971		3033971	1.91		1.91	-	-	-	-	3031302
(h)	Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs		34	4220195			4220195	2.66	4220195		4220195	2.66		2.66	-	-	-	-	4220195
(i)	Non-Resident Indians (NRIs)		966	1657276			1657276	1.04	1657276		1657276	1.04		1.04					1657276
(j)	Foreign Nationals		1	13			13	0.00	13		13	0.00		0.00					13
(k)	Foreign Companies)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(l)	Bodies Corporate		249	417226			417226	0.26	417226		417226	0.26		0.26					417226
(m)	Any Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CLEARING MEMBERS		7	9000520			9000520	5.66	9000520		9000520	5.66		5.66					9000520
	SPARK INSTITUTIONAL EQUITIES PVT LTD	ABHCS 7495J	1	9000000			9000000	5.66	9000000		9000000	5.66		5.66					9000000
	H U F		1034	124308			124308	0.08	124308		124308	0.08		0.08					124308
	TRUSTS		1	2395			2395	0.00	2395		2395	0.00		0.00					2395
	Sub Total (B)(4)		**40457**	**18705114**			**18705114**	**11.77**	**18705114**		**18705114**	**11.77**		**11.77**					**18702445**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+ B)(3)+(B)(4)		**40621**	**52818380**			**52818380**	**33.23**	**52818380**		**52818380**	**33.23**		**33.23**					**52815711**

List of top 10 holders of Equity Shares of our Company as on June 30, 2023:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	CreditAccess India B.V.	10,61,09,028	10,61,09,028	66.77
2.	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	37,72,401	37,72,401	2.37
3.	Government Pension Fund Global	21,63,316	21,63,316	1.36
4.	T. Rowe Price International Discovery Fund	17,30,148	17,30,148	1.09
5.	ICICI Prudential Life Insurance Company Limited	17,25,679	17,25,679	1.09
6.	C-Quadrat Special Situations Asia Fund	12,59,478	12,59,478	0.79
7.	PGIM India Trustees Private Limited A/C PGIM Indiamid Cap Opportunities Fund	10,36,700	10,36,700	0.65
8.	Nippon Life India Trustee Ltd-A/C Nippon India Multi Cap Fund	9,00,000	9,00,000	0.57
9.	Sachin Bansal	8,95,000	8,95,000	0.56
10.	Canara Robeco Mutual Fund A/C Canara Robeco Smallcap Fund	8,66,771	8,66,771	0.55
	Total	**12,04,58,521**	**12,04,58,521**	**75.79**

List of top 10 holders of non-convertible securities as on June 30, 2023 (on cumulative basis):

S. No.	Name of the holder of Non-convertible Securities	Category of Holder	Amount (in ₹ crores) Face Value of holding	% of total non-convertible securities outstanding
1.	NCD-FMO 2	Financial Institution	240.00	13.53
2.	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)	Financial Institution	214.00	12.06
3.	NCD (Public) Series - 3	Public	212.49	11.98
4.	NCD (Public) Series - 1	Public	185.31	10.44
5.	NCD-Bandhan Bank Ltd-1	Bank	145.00	8.17
6.	NCD-Blue Orchard MicroFinance Fund Loan 2	Financial Institution	145.00	8.17
7.	NCD-State Bank of India-1	Bank	100.00	5.64
8.	MLD-Covered Bonds 28.08.21	Financial Institutions/Others	100.00	5.64
9.	NCD-Global Access Fund LP Loan-1	Financial Institution	71.00	4.00
10.	MLD-Covered Bonds 27.09.22	Financial Institution/ Others	60.00	3.38

List of top 10 holders of commercial paper as on June 30, 2023 in terms of value (on cumulative basis):

Not applicable.

Statement of the aggregate number of securities of our Company and our Subsidiary purchased or sold by our Promoters, Promoter Group, our Directors and the directors of our Promoters and/or their relatives within six months immediately preceding the date of filing of this Tranche II Prospectus.

Except for the details as set out in the table below, no securities of our Company have been purchased or sold by our Promoters, promoter group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Tranche II Prospectus.

Sr. No.	Name of the Transferor	Name of the Transferee	Date of purchase/ transfer	Whether purchase/ transfer	Number of Equity Shares
1.	Udaya Kumar Hebbar	Market transaction	August 12, 2022	Transfer	36,681

Sr. No.	Name of the Transferor	Name of the Transferee	Date of purchase/ transfer	Whether purchase/ transfer	Number of Equity Shares
2.	Udaya Kumar Hebbar	Market transaction	August 16, 2022	Transfer	11,539
3.	Udaya Kumar Hebbar	Market transaction	February 20, 2023	Transfer	36,681
4.	Udaya Kumar Hebbar	Market transaction	February 24,2023	Transfer	11,539
5.	Udaya Kumar Hebbar	Market transaction	May 23, 2023	Transfer	11,546
6.	Udaya Kumar Hebbar	Market transaction	June 02, 2023	Transfer	5,000
7.	Udaya Kumar Hebbar	Market transaction	June 06, 2023	Transfer	34,208
8.	Udaya Kumar Hebbar	Market transaction	June 07, 2023	Transfer	790
9.	CreditAccess India B.V	Market transaction	June 30, 2023	Transfer	90,00,000
10.	Udaya Kumar Hebbar	Market transaction	July 26, 2023	Transfer	1,00,000

No securities of our subsidiary have been purchased or sold by our Promoters, promoter group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Tranche II Prospectus.

Statement of Capitalization

A. Statement of capitalization (Debt to Equity Ratio) of our Company (Standalone) as on March 31, 2023:

(₹ in crore, except Debt/Equity ratio)

Particulars	Pre Issue As at March 31, 2023 (A)	Proposed proceeds from the issue*(B)	Post Issue* (C= A+B)
Debt			
I. Debt securities	1,672.35	1,000.00	2,672.35
II. Borrowings (Other than debt securities)	14,562.00	-	14,562.00
III. Subordinated Liabilities	77.91	-	77.91
IV. Total borrowings (I+II+III)	**16,312.26**	**1,000.00**	**17,312.26**
Shareholders Fund			
Equity share capital	158.91	-	158.91
Other equity	4,948.03	-	4,948.03
V. Total Shareholders' funds	**5,106.94**	**-**	**5,106.94**
Total Debt/Equity (IV/IV) [Refer Note (c)]	3.19	-	3.39

* *The figures for the respective financial statements line items under Post Issue column are derived after considering the impact due to proposed issue of secured debt and it does not consider any other transactions or movements for such financial statements line items after March 31, 2023. The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹ 1,000 crore from the proposed Issue in the secured debt as on March 31, 2023. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Notes:

(a) Debt Securities includes borrowing through Non Convertible Debentures.

(b) Subordinated Liabilities includes borrowing through perpetual debt and Tier II debt instruments.

(c) Total debt / equity has been computed as = $\frac{\textit{Total borrowings}}{\textit{Total shareholding}}$

B. Statement of capitalization (Debt to Equity Ratio) of our Company (Consolidated) as on March 31, 2023:

(₹ in crore, except Debt/Equity ratio)

Particulars	Pre Issue As at March 31, 2023 (A)	Proposed proceeds from the issue*(B)	Post Issue* (C= A+B)
Debt			
I. Debt securities	1,672.35	1,000.00	2,672.35
II. Borrowings (Other than debt securities)	14,562.00	-	14,562.00
III. Subordinated Liabilities	77.91	-	77.91
IV. Total borrowings (I+II+III)	**16,312.26**	**1,000.00**	**17,312.26**

Particulars	Pre Issue As at March 31, 2023 (A)	Proposed proceeds from the issue*(B)	Post Issue* (C= A+B)
Shareholders Fund			
Equity share capital	158.91	-	158.91
Other equity	4,948.06	-	4,948.06
V. Total Shareholders' funds	**5,106.97**	**-**	**5,106.97**
Total Debt/Equity (IV/IV) [Refer Note (c)]	3.19	-	3.39

* *The figures for the respective financial statements line items under Post Issue column are derived after considering the impact due to proposed issue of secured debt and it does not consider any other transactions or movements for such financial statements line items after March 31, 2023. The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹ 1,000 crore from the proposed Issue in the secured debt as on March 31, 2023. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Notes:

(a) Debt Securities includes borrowing through Non Convertible Debentures.

(b) Subordinated Liabilities includes borrowing thorugh perpetual debt and Tier II debt instruments.

(c) Total debt / equity has been computed as = Total borrowings
Total shareholding

Shareholding of Directors in our Company

The shareholding of the Directors in our Company as on June 30, 2023 is mentioned below:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 10 each	Number of Stock Options Outstanding	% of total Equity Shares of our Company
1.	Udaya Kumar Hebbar	2,39,735	107625#	0.15
2.	George Joseph	1000	NA	NA
3.	Paolo Brichetti	13*	NA	NA

#Excluding 2,22,275 options to be vested

**Holding as Nominee of CreditAccess India B.V. Beneficial interest lies with CAI.*

Details of Promoter's shareholding in our Company's Subsidiary

Nil

Details of Promoter's shareholding in our Joint Venture and Associate Companies

Nil

Details of any acquisition or amalgamation in the last one year

Other than as disclosed in "*History and Main Objects- Scheme of Amalgamation*" on page 150, our Company has not made any acquisition or amalgamation in the last one year prior to the date of this Tranche II Prospectus.

Details of any reorganization or reconstruction in the last one year

Other than as disclosed in "*History and Main Objects - Scheme of Amalgamation*" on page 150, our Company has made any reorganisation or reconstruction in the last one year prior to the date of this Tranche II Prospectus.

Details of debt securities were issued at a premium or a discount by the Company

Other than as disclosed in the section "*Financial Indebtedness*" on page 188, no debt securities were issued at a premium or a discount by the Company.

Details of shareholding of our Directors in our Subsidiary, Associate or Joint Ventures

As on the date of this Tranche II Prospectus, the Directors are not holding any shares in subsidiary, associates, or joint ventures.

Details of change in the promoter holding in our Company during the last financial year beyond 26 % (as prescribed by RBI)

There has been no change in the promoter holding in our Company during the last financial year beyond 26%.

Employee Stock Option Scheme

Our Company instituted the GKFSPL Employee Stock Option Plan in 2011. Pursuant to the name change, the plan was renamed CAGL Employee Stock Option Plan ("ESOP 2011"). ESOP 2011 was adopted on October 30, 2017 vide a shareholder's resolution and was deemed to come into force on October 1, 2011. The ESOP 2011 was adopted with the object of granting, at the discretion of the Company, to such eligible employees (as defined under the plan), options convertible to shares of GKFSPL as per the terms of ESOP 2011, and to be allotted shares of GKFSPL on exercise of such Options.

The options granted shall vest on the eligible employees of our Company, as determined in accordance with the vesting schedule elucidated in the ESOP 2011. The Company may vary the terms of the plan offered but not exercised, by way of a special resolution. In case of winding up of the plan implemented by the Company through the ESOP trust, the excess money left after making all the repayments shall be utilised for the repayment of loans or it shall be distributed among the eligible employees as will be recommended by the Nomination and Remuneration Committee.

Please refer below for the details of ESOP 2011 as on June 30, 2023:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Total Number</th></tr>
<tr><td>1.</td><td>Stock options granted</td><td>58,87,81551,19,215</td></tr>
<tr><td>2.</td><td>Stock options vested</td><td>37,71,60138,07,990</td></tr>
<tr><td>3.</td><td>Stock options exercised*</td><td>27,31,16424,64,154</td></tr>
<tr><td>4.</td><td>Total number of shares arising out of exercise of Stock options</td><td>27,31,16424,47,639</td></tr>
<tr><td>5.</td><td>Stock options lapsed</td><td>8,96,9718,27,214</td></tr>
<tr><td>6.</td><td>Exercise price (in ₹)</td><td><table>
<tr><th>Tranche</th><th>Exercise Price</th></tr>
<tr><td>I</td><td>27.00</td></tr>
<tr><td>II</td><td>27.00</td></tr>
<tr><td>III</td><td>39.86</td></tr>
<tr><td>IV</td><td>63.90</td></tr>
<tr><td>V</td><td>84.47</td></tr>
<tr><td>VI</td><td>120.87</td></tr>
<tr><td>VII</td><td>786.91</td></tr>
<tr><td>VIII</td><td>595.68</td></tr>
</table></td></tr>
</table>

**includes shares exercised but not allotted as on June 30, 2023.*

None of the Equity Shares held by the Promoter in our Company are pledged or encumbered otherwise by our Promoter and Promoter Group.

OBJECTS OF THE ISSUE

Tranche II Issue Proceeds

Public Issue by the Company of secured rated listed redeemable non-convertible debentures of face value of ₹ 1,000 for an amount of ₹ 400 crore ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 600 crore, aggregating up to ₹ 1,000 crore which is within the Shelf Limit of ₹ 1,500 crore, being offered by way of this Tranche II Prospectus, which should be read together with the Shelf Prospectus filed with the RoC, Stock Exchanges and SEBI.

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilize the proceeds raised through the Tranche II Issue, after deducting the Tranche II Issue related expenses to the extent payable by our Company ("**Net Proceeds**") towards funding the objects listed under this section.

The details of the proceeds of the Tranche II Issue are summarized below:

Particulars	Estimated amount (₹ in crore)
Gross proceeds of the Issue	1,000*
Less: Tranche II Issue related expenses*	15.79
Net proceeds	984.21

**Assuming the Tranche II Issue is fully subscribed*
***The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II Issue, the number of allottees, market conditions and other relevant factors.*

Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Tranche II Issue (collectively, referred to herein as the "**Objects**") and the amount proposed to be financed from Net Proceeds:

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing and for repayment of interest and principal of existing borrowings of the Company*	At least 75%
2.	General Corporate Purposes**	Maximum up to 25%
	Total	**100%**

**Our Company shall not utilize the proceeds of this Tranche II Issue towards payment of prepayment penalty, if any*
***The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.*

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Tranche II Issue.

Issue related expenses break-up

The expenses for this Tranche II Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Member and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Tranche II Issue is as below:

Particulars	Amount (₹ in crore)*	As percentage of Tranche II Issue proceeds (in %)	As percentage of total expenses of the Tranche II Issue (in %)
Lead Manager Fee, Selling and Brokerage Commission, SCSB Processing Fee, UPI processing fees to Sponsor Banks	13.18	1.32%	85.05%

Particulars	Amount (₹ in crore)*	As percentage of Tranche II Issue proceeds (in %)	As percentage of total expenses of the Tranche II Issue (in %)
Fee payable to intermediaries, Legal Counsel Fee, Registrar to the Issue, Debenture Trustees, regulatory bodies, rating agencies etc and payment towards stamp duty	1.53	0.15%	9.86%
Advertising, printing, and stationery costs	0.69	0.07%	4.45%
Other miscellaneous expenses	0.10	0.01%	0.65%
Grand Total	**15.49**	**1.55%**	**100.00%**

Note: *The above expenses are subject to applicable taxes as per the agreed terms of engagement with respective agency.*
** Assuming the Tranche II Issue is fully subscribed, and our Company retains oversubscription as per the Issue Documents.*

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II Issue and the number of Allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Consortium Member / Members of the Consortium/ Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 15 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, our Company shall pay the Sponsor Bank ₹ 1 for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

Our Company confirms that for the purpose of this Tranche II Issue, funding plan will not be applicable.

Summary of the project appraisal report

Our Company confirms that for the purpose of this Tranche II Issue, summary of the project appraisal report will not be applicable.

Schedule of implementation of the project

Our Company confirms that for the purpose of this Tranche II Issue, schedule of implementation of the project will not be applicable.

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2023, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon only upon receipt of minimum subscription, i.e. 75% of base issue relating to each Tranche Issue, the execution of the documents for creation of security and the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges. Our Company, within forty-five days from the end of every quarter, submit to the stock exchange, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Interim use of proceeds

Our Management, in accordance with the policies formulated by it from time to time,will have the flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest/ non- interest bearing liquid instruments including money market mutual funds, deposits with banks, current account of banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by our Board of Directors or a committee thereof. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Other Confirmations

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the Promoter Group or Group Companies.

Proceeds from the Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property. No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds from the Issue, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, Including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by our Board of Directors or duly authorized committee thereof.

Variation in terms of contract or objects in this Tranche II Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Tranche II Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

Benefit / interest accruing to Promoter/Directors out of the object of the Tranche II Issue

Neither our Promoter nor the Directors of our Company are interested in the Objects of this Tranche II Issue.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

(i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

(ii) the allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period

(iii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iv) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form of financial assets in which such unutilised monies have been invested;

(v) we shall utilize the Issue proceeds only upon creation of security as stated in this Tranche II Prospectus in the section titled *"Terms of the Issue"* on page 332 and after (a) permissions or consents for creation of charge over the assets of the Company and for further raising of funds have been obtained from the creditors; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from Stock Exchanges;

(vi) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;

(vii) the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

(viii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF TAX BENEFITS

The Board of Directors
CreditAccess Grameen Limited
#49, 46th Cross,
8th Block, Jayanagar
Bangalore – 560 071
Karnataka, India

Sub: Proposed public issue by CreditAccess Grameen Limited (the "Company" or the "Issuer") of secured, redeemable non-convertible debentures of face value of ₹ 1,000 each (the "NCDs") for an amount aggregating up to ₹ 1,500 Crores (the "Shelf Limit") (the "Issue"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in separate Tranche Prospectus(es) for each Tranche Issue

This certificate is issued in accordance with the terms of our engagement letter dated 17th August 2022.

The accompanying Statement of Possible Tax Benefits prepared by the management of the Company, discusses the tax provisions applicable to the Potential Debenture holders ("Investors") subscribing in the Public Issue of NCDs of **CreditAccess Grameen Limited** (the "Company") in Annexure A (hereinafter referred to as "Statement of Tax Benefits" / "Statement"), under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023 (hereinafter referred to as the "IT Act") in connection with the proposed Issue.

Management's Responsibility

The preparation of this Statement as of the date of our certificate which is to be included in the Tranche II Prospectus (the "Offering Documents") is the responsibility of the management of the Company.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Our Responsibility

Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

Pursuant to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCS Regulations") and the Companies Act 2013 ("Act"), it is our responsibility to examine whether the Statement prepared by the Company, in all material respects, reflects the current position of possible tax benefits available to the debenture holders of the Company. For this purpose, we have read the Statement as given in **Annexure I** and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The benefits discussed in the enclosed Annexure I are not exhaustive. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derive the tax benefits is dependent on fulfilling such conditions.

The Statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation. Neither are we suggesting nor advising the investor to invest money based on this Statement.

We do not express any opinion or provide any assurance as to whether:

i) debenture holders of the Company will continue to obtain the benefits as per the Statement in future;

ii) the conditions prescribed for availing the benefits as per the Statement have been/would be met with; or

iii) the revenue authorities/ courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

In our opinion, the Statement of Tax Benefits prepared by the Company as set out in Annexure I materially covers all tax benefits available as at the date of our report to Debenture Holders, in accordance with provisions of the IT Act as amended.

Restriction on Use

We hereby consent to inclusion of the extracts of this certificate in the Offering Documents and/or any other document in relation to the Issue, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For Rao Associates

Chartered Accountants
Firm Regn. No. 003080S

Sandeep S Shekar
Partner
Membership No.: 232631
UDIN: 23232631BGWJSD4971

Place: Bangalore
Date: August 17, 2023

Encl: *Annexure- I Statement of Tax Benefits*

Annexure- I

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CREDITACCESS GRAMEEN LIMITED ("THE COMPANY") AND THE COMPANY'S DEBENTUREHOLDERS

The following tax benefits will be available to the debenture holders of the Company ("**Debenture Holder**") as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws under the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2023, and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider the tax implications in respect of subscription to Debentures after consulting his tax advisor as alternate views are possible.

This Annexure intends to provide general information on the applicable provisions of the IT Act. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Several of these benefits are dependent on the Company or its Debenture Holders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor advising the investor to invest money based on this Statement.

Implications under Income Tax Act, 1961

I. To Resident Debenture holders (resident as defined under Section 6 of the Income Tax Act, 1961)

A. In respect of Interest on Debentures (NCD)

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the Income Tax Act, 1961. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holder under Section 145 of the Income Tax Act, 1961.

2. Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act(in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque).
   Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

   a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

   b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

   c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

d. In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption:

Sl. No.	Class of Investors	Relevant section which grants TDS exemption	Documents to be taken on record from Investors
1.	Residential individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act.	Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either: Provide a declaration (in duplicate) in the Forms prescribed viz.: -Form 15H which can be given by individuals who are of the age of 60 years or more -Form 15G which can be given by all applicants (other than companies, and firms), or - A certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e., Form No.13.
2.	Life insurance Corporation of India	Clause vi of Proviso to Section 193	Copy of Registration Certificate
3.	a. General Insurance Corporation of India, b. Companies formed under section 16(1) of General Insurance Business Act, 1972 and, c. any company in which GIC and aforesaid 4 companies has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 193	a. Copy of Registration Certificate b. Copy of Registration Certificate c. Copy of shareholding pattern
4.	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
5.	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
6.	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions
7.	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that

Sl. No.	Class of Investors	Relevant section which grants TDS exemption	Documents to be taken on record from Investors
			there income is exempt u/s 10(25) and 10(25A)
8.	New Pension System Trust	Section 10(44) read with Section 196(iii) and CBDT Circular - 18/2017	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
9.	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
10.	Alternative Investment Funds (Category I and II)	Section 197A(1F)	Copy of Registration certificate issued by SEBI

B. In respect of Capital Gains

1. *Long Term Capital Gains*

Under Section 2(29AA) read with section 2(42A) of the IT Act, listed Debentures held as Capital Asset as defined under section 2(14) of the IT Act is treated as long term capital asset if it is held for more than 12 Months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset.

Long Term Capital Gain will be chargeable to tax under Section 112 of the IT Act at the rate of 20% (plus applicable surcharge and education cess). However, in the case of listed debentures, as per first proviso to section 112(1) of the IT Act, tax payable is only 10% (plus applicable surcharge and education cess). No indexation benefit is available for debentures. Hence, the tax payable on long term capital gains on transfer of NCD will be 10%(plus applicable surcharge and education cess) and the capital gains have to be computed without indexation.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

2. *Short Term Capital Gains*

Listed Debentures held as capital asset under Section 2(14) of the IT Act for a period of not more than 12 months would be treated as Short term capital asset under Section 2(42A) of the IT Act. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax. As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Longterm capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains.
Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.th the provisions of the IT Act. The provisions relating to maximum amount not chargeable to tax would apply to short term capital gains.

3. *Capital Loss on transfer of Debentures*

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains.
Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

4. *Exemption available for Individuals and HUF for Long Term Capital gains U/s 54F of the IT Act*

As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein.

Under section 54EE of the IT Act, long term capital gains arising to the Debenture Holder(s) on transfer of debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in long term specified asset (a unit or units issued before 01.04.2019) as notified by Central Government within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of INR 50 lacs during any financial year in the notified bonds. Where the benefit of Section 54EE of the IT Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

As per provisions of section 54EE of the IT Act, capital gain on the transfer of a long-term capital asset, arising to a debenture holder is exempt from tax, if the assessee / debenture holder invested the whole or any part of capital gains in the long-term specified asset at any time within a period of six months. If the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the investment in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees: If the long term specified asset in which the investment has been made is transferred within a period of three years from the date of its acquisition, the amount of capital gains tax claimed earlier would became chargeable to tax as capital gains in the year in which such long term specified asset is transferred. Specified Asset means a unit or units, issued before the 1st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.

C. In respect of Business Income

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII, which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

D. Debentures received as gift without consideration or inadequate consideration

As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000 the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.

II. TO THE NON-RESIDENT DEBENTURE HOLDERS

1. A Non – Resident Indian has an option to be governed by Chapter XII – A of the IT Act, subject to the provisions contained therein which are given in brief as under:

   a. As per Section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

b. As per Section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the IT Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII- B of the IT Act in accordance with and subject to the provisions contained therein.
c. As per Section 115D (1) of the IT Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of income of a non-resident Indian under Chapter XII – A of the IT Act.
d. In accordance with and subject to the provisions of Section 115-I of the IT Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII – A of the IT Act.
e. Long Term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
f. Interest income and Short – term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act.
g. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.
h. Under Section 195 of the IT Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per Section 115E, and 30% for Short Term Capital Gains if the payee debenture Holder is a Non-Resident Indian.
i. The income tax deducted shall be increased by applicable surcharge and health and education cess.

   As per Section 90(2) of the IT Act read with the Circular No. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate (TRC), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.
j. Alternatively, to avail non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the IT Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.
k. As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.
l. In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.
m. As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000 the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.
n. As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in

India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein.

III. TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PORTFOLIO INVESTORS (FIIs/ FPIs)

1. As per Section 2(14)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
2. In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.
3. Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.
4. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.
5. Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government.
6. The income tax deducted shall be increased by applicable surcharge and health and education cess.
7. In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs referred to in section 115AD.
8. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

IV. TO MUTUAL FUNDS

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. TO SPECIFIED FUNDS ("SPECIFIED FUND" AS DEFINED UNDER SECTION 10(4D) OF THE IT ACT)

The income of Specified Funds is taxable for the year beginning April 1, 2020, to the extent attributable to units held by non-resident (not being a permanent establishment of a non-resident in India), and in accordance with and subject to the provisions of Section 115AD of the IT Act, as under:

a) The interest income earned are chargeable to tax at the rate of 10%;
b) long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the IT Act will not apply); and
c) Short-term capital gains are taxable at 30%.

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under section 10(4D) with effect from November 1, 2020 as per Section 196D of the IT Act.

The income tax deducted shall be increased by applicable surcharge and health and education cess.

VI. REQUIREMENTS TO FURNISH PAN/FILING OF RETURNS UNDER THE INCOME TAX ACT, 1961

1. SEC. 139A (5A)
   Section 139A (5A) requires every person from whom income tax has been deducted at source under chapter XVII – B of the IT Act to furnish his PAN to the person responsible for deduction of tax at source.

2. SEC. 206AA

   a. Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ("DEDUCTEE") to furnish his PAN to the Deductor, failing which tax shall be deducted at the higher of the following rates:
      i. at the rate specified in the relevant provision of the IT Act; or
      ii. at the rate or rates in force; or
      iii. at the rate of twenty per cent.
   b. A declaration under Section 197A (1) or 197A (1A) or 197A (1C) shall not be valid unless the person furnishes his PAN in such declaration and the Deductor is required to deduct tax as per Para (a) above in such a case.
   c. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.
   d. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident Deductee furnishes the prescribed details *inter alia* TRC and Tax Identification Number (TIN).

3. SEC. 206AB

   Further, the Finance Act, 2021 inserted new section for punitive withholding tax rate for non-filers of return of income with effect from 1 July 2021 as per which payments made to the specified persons will be subject to TDS at higher of twice the applicable rate or 5% in respect of all TDS/TCS provisions except for specific exclusions.

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.
2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2024-2025 (Financial year 2023-24) and taking into account the amendments made by the Finance Act, 2022.
4. This statement is intended only to provide general information to Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.
5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the IT Act.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.
9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

All the information contained in this section is derived from the various sources like RBI bulletin July 2023, Volume LXXVII Number 7, Issue 45 Micrometer Data as on 31st March 2023 by Micro-Finance Institutions Network, ICRA Industry Reports in an "as is where is basis". Neither we, nor any other person connected with the Offer has independently verified this third party and industry related information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. This section contains industry related data and statistics taken from the above mentioned reports.

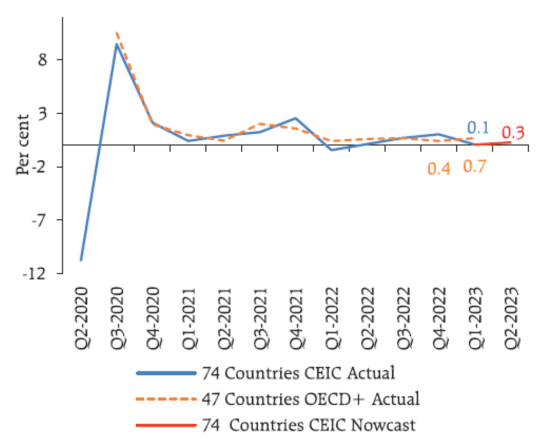
Overview of Global Economy:

Global growth momentum appears to be stalling, especially manufacturing and investment, amidst moderating headline inflation with a stubborn core. Market expectations of future interest rates have gone up in response to the hawkish policy stance; equity prices have flattened; and bond yields have hardened. In India, the rain deficit is rapidly closing amidst a highly cyclone-skewed distribution. Manufacturing and services activity remains in expansion albeit with some sequential moderation in June. The overall balance of payments surplus improved strongly in Q1:2023-24, indicating that financial flows comfortably exceeded the current account deficit.

The US economy is displaying surprising vigor, with fresh signs of labour market strength reflected in an ebbing of the unemployment rate in June and a higher than expected rise in hourly earnings. Interestingly, the surge in the US job quits rate has abated from its pandemic peak and top-line hiring is firming up. Manufacturing and services activity remains in expansion albeit with some sequential moderation in June in composite terms from a near 13-year high in April and May. Coincident indicators for the construction sector grew robustly, with cement production at a six-month high on the back of public spending on infrastructure and strong demand for both residential and commercial real estate. Domestic and international air travel is scaling new records across the nation's 136 operational airports and airstrips.

Global growth remains supported by the rebound in services, but sluggish manufacturing and trade activity are operating as drags. Although consumption demand remains resilient, risks stem from a wage-price spiral taking hold against the backdrop of tight labour markets. Meanwhile, financial conditions continue to tighten amidst high debt and volatile asset prices. Factoring in these developments, our model-based nowcast for global GDP points towards flattening of global growth momentum in Q2:2023.

Chart 1: Global GDP Growth Nowcast
(adjusted series, q-o-q)

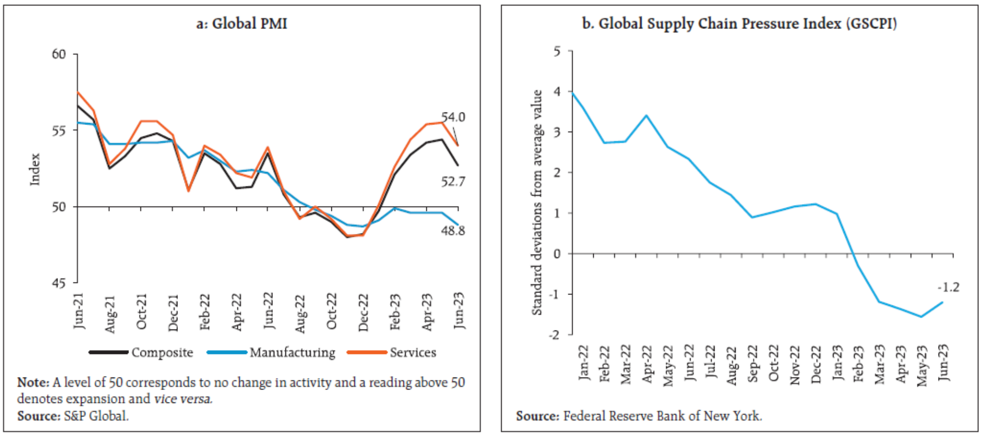


Sources: CEIC; OECD; and RBI staff estimates.

(Source: RBI bulletin July 2023, Volume LXXVII Number 7)

Among high frequency indicators, the global composite purchasing managers' index (PMI) moderated to 52.7 in June 2023 from 54.4 in the previous month. While the global services PMI remained in the expansionary zone despite a sequential moderation, the global manufacturing PMI contracted to a 6-month low of 48.8 in June 2023 following a decrease in new orders. Global supply chain pressures registered some uptick in June, as reflected in the marginal pick up of global supply chain pressure index (GSCPI) after five consecutive months of decline.

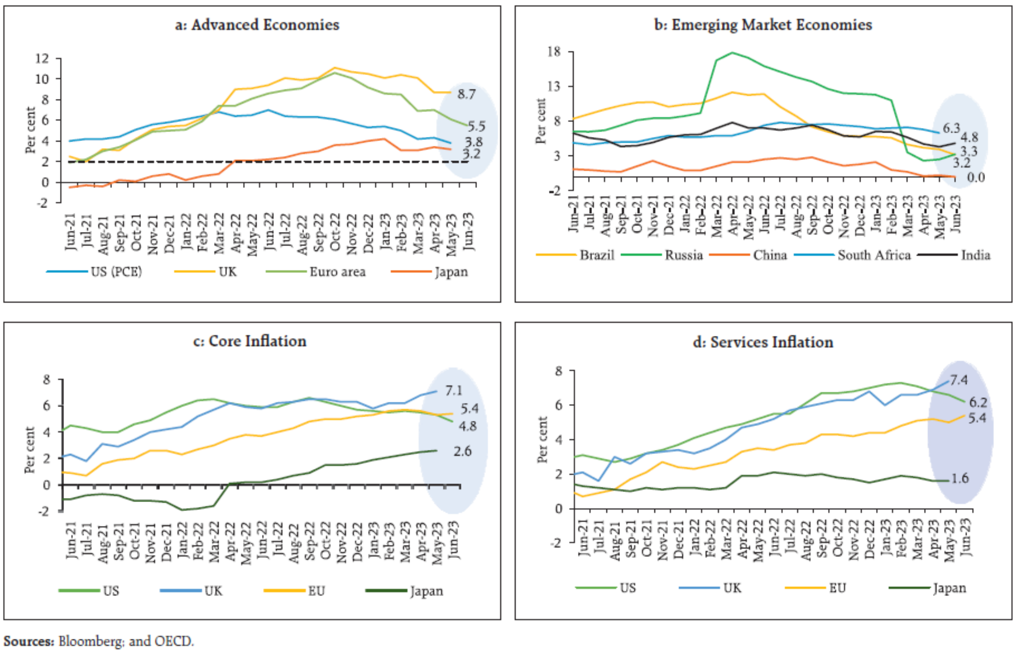
Chart 2: Global Business Conditions



(Source: RBI bulletin July 2023, Volume LXXVII Number 7)

Headline inflation moderated across most economies although core inflation remained stubbornly high. As per the flash estimates, inflation in the Euro area moderated to 5.5 per cent in June 2023, its lowest level since January 2022. Annual CPI inflation in the US moderated sharply to 3.0 per cent in June 2023 from 4.0 per cent in May marking its lowest reading since March 2021. Inflation based on the US personal consumption expenditure (PCE) index slowed to 3.8 per cent in May 2023, the lowest reading since April 2021. In the UK, CPI inflation remained steady at 8.7 per cent in May 2023 while Japan's CPI (all items minus fresh food) inflation declined to 3.2 per cent in May from 3.4 per cent in April. Among the EMEs, inflation has moderated across the board (Chart 5b). Except South Africa, all the BRICS countries recorded inflation below 5 per cent. Early signs of cooling core and services inflation are emerging in most countries except in the UK and the European Union (EU).

Chart 5: Inflation

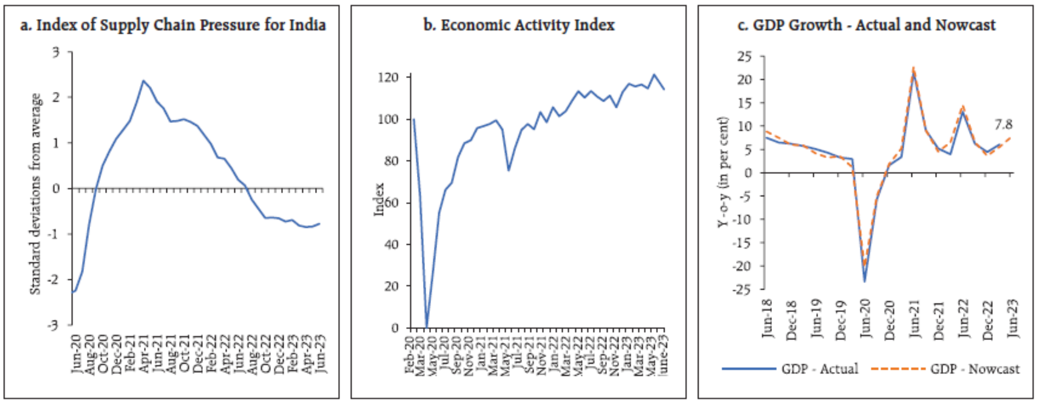


(Source: RBI bulletin July 2023, Volume LXXVII Number 7)

Overview of the Indian economy:

The Indian economy is poised to be the fastest growing major economy in the world despite some sequential moderation in economic activity in June. The index of supply chain pressure for India (ISPI) remains below its historical average, supporting growth impulses. Our economic activity index (EAI) nowcasts GDP growth for Q1:2023-24 at 7.8 per cent.

Chart 9: Economic Activity and GDP Growth Nowcast



Note: The economic activity index (EAI) is constructed by extracting the common trend underlying twenty-seven high frequency indicators of economic activity using a Dynamic Factor Model. EAI is scaled to 100 in February 2020 and 0 in April 2020, the worst affected month due to mobility restrictions.
Sources: National Statistical Office (NSO); and RBI staff estimates.

(Source: RBI bulletin July 2023, Volume LXXVII Number 7)

High-frequency services sector indicators for June 2023 attest to the resilience of overall economic activity. Notably, both domestic and international aviation passenger traffic recorded growth in excess of 20 per cent.

Table 1: High Frequency Indicators – Services

Growth (y-o-y, per cent)

Sector	Indicator	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Urban Demand	Passenger Vehicles Sales	17.2	11.0	4.5	12.9	14.9	1.6
Rural Demand	Two Wheeler Sales	5.0	7.6	7.7	15.1	17.4	1.7
	Three Wheeler Sales	103.0	86.1	69.2	104.2	70.4	98.6
	Tractor Sales	24.4	20.0	13.7	-11.1	1.2	4.2
Trade, hotels, transport, communication	Commercial Vehicles Sales		7.1			-5.1	
	Railway Freight Traffic	3.8	3.6	3.8	3.5	1.9	-1.9
	Port Cargo Traffic	12.2	12.0		1.3	3.4	0.43
	Domestic Air Cargo Traffic*	-7.5	0.0	-4.4	-1.7	-12.7	-12.2
	International Air Cargo Traffic*	-4.3	-8.1	0.8	-3.0	-0.5	5.8
	Domestic Air Passenger Traffic *	95.3	50.2	22.9	23.2	15.9	21.1
	International Air Passenger Traffic *	115.1	98.0	62.4	43.9	35.8	24.1
	GST E-way Bills (Total)	19.7	18.4	16.3	12.2	19.7	15.5
	GST E-way Bills (Intra State)	24.1	22.2	20.7	16.2	23.0	18.8
	GST E-way Bills (Inter State)	12.8	12.4	9.3	5.9	14.3	9.9
	Hotel occupancy rate	81.9	32.2	3.0	-2.4	-3.4	
	Average revenue per room	53.1	62.0	39.6	21.2	15.8	
	Tourist Arrivals	330.8	259.4	132.5			
Construction	Steel Consumption	7.7	14.6	15.0	8.5	8.5	13.8
	Cement Production	4.7	7.4	-0.6	12.0	15.5	
PMI Index#	Services	57.2	59.4	57.8	62.0	61.2	58.5

Note: #: Data in levels. *: Data is based on the monthly average of daily figures.
Sources: CMIE; CEIC data; IHS Markit; SIAM; Airports Authority of India; and Joint Plant Committee.

Headline inflation, as measured by y-o-y changes in the all-India consumer price index (CPI)16, increased to 4.8 per cent in June 2023 from 4.3 per cent in May primarily on account of an increase in food inflation (Chart 32). Between May and June, the CPI recorded a positive momentum of 100 bps, which was partially offset by a favourable base effect of around 50 bps, resulting in a rise in headline inflation by 50 bps. The m-o-m increase in food and fuel prices were around 220 bps and 5 bps, respectively. Core group (excluding food and fuel) prices remained broadly unchanged.

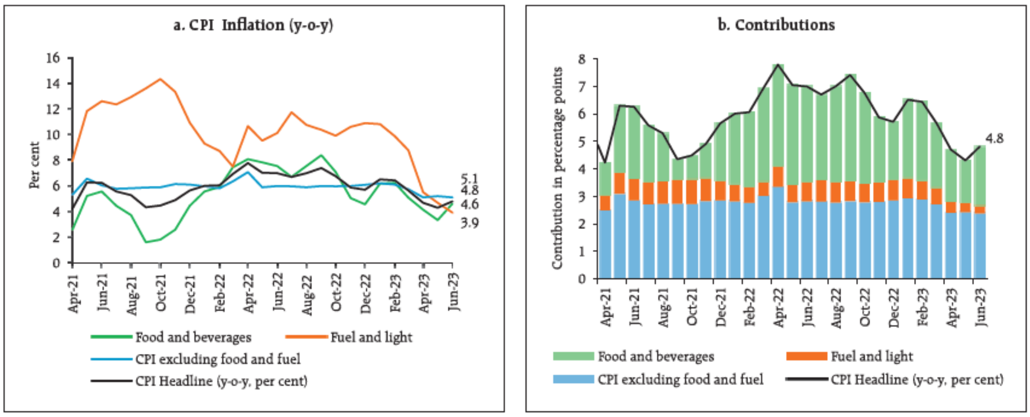


Chart 32: Trends and Drivers of CPI Inflation

Note: Inflation for April-May 2021 was computed based on imputed CPI for April-May 2020.
Sources: National Statistical Office (NSO); and RBI staff estimates.

(Source: RBI bulletin July 2023, Volume LXXVII Number 7)

Universe: Overall size

Based on data as on 31 March 2023 (Q4 FY 22-23), microfinance industry has total loan portfolio (i.e., loan amount outstanding) of Rs 3,48,339 Cr, including DPD 180+ portfolio of Rs 29,828 Cr. The total number of active loans accounts were 13.0 Cr with 6.6 Cr unique borrowers as on 31 March 2023. The YoY (31 March 2022 to 31 March 2023) growth of GLP is 22.0%.

As on 31 March 2023, 82 NBFC-MFIs are the largest provider of micro-credit with a loan amount outstanding of Rs 1,38,310 Cr, accounting for 39.7% to total industry portfolio. 13 Banks hold the second largest share of portfolio in micro-credit with total loan outstanding of Rs 1,19,133 Cr, which is 34.2% of total micro-credit universe. SFBs have a total loan amount outstanding of Rs 57,828 Cr with total share of 16.6%. NBFCs account for another 8.5% and Other MFIs account for 1.0% of the universe. The table below captures the key portfolio and outreach number of the five-broad category of microfinance lenders.

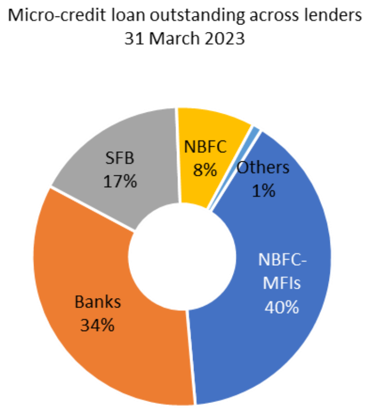
Overall status of portfolio, unique borrowers and loan accounts								
	31-Mar-22				**31-Mar-23**			
Type of entity	**No. of entities**	**Unique Borrowers (Cr)**	**Active loan accounts (Cr)**	**Portfolio O/s (Rs Cr)**	**No. of entities**	**Unique Borrowers (Cr)**	**Active loan accounts (Cr)**	**Portfolio O/s (Rs Cr)**
NBFC-MFIs	84	2.7	4.2	1,00,407	82	2.9	5.1	1,38,310
Banks	12	2.9	4.3	1,14,051	13	3.2	4.7	1,19,133
SFBs	9	1.4	1.8	48,314	9	1.6	2.0	57,828
NBFCs	58	0.7	0.8	19,698	69	0.9	1.0	29,440
Others	39	0.1	0.2	2,971	38	0.1	0.2	3,629
Total	**202**	**5.80**	**11.3**	**2,85,441**	**211**	**6.6**	**13.0**	**3,48,339**

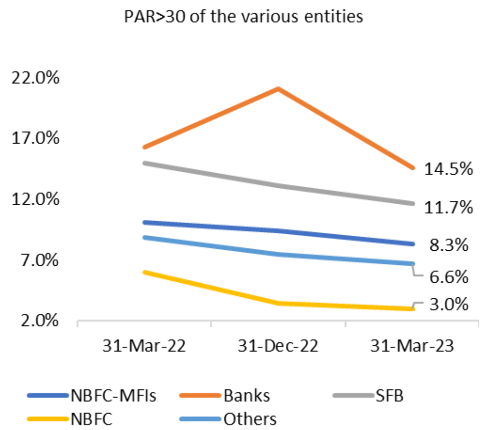
DPD 0 - 179	**202**		**10.1**	**2,61,818**	**211**		**11.4**	**3,18,511**

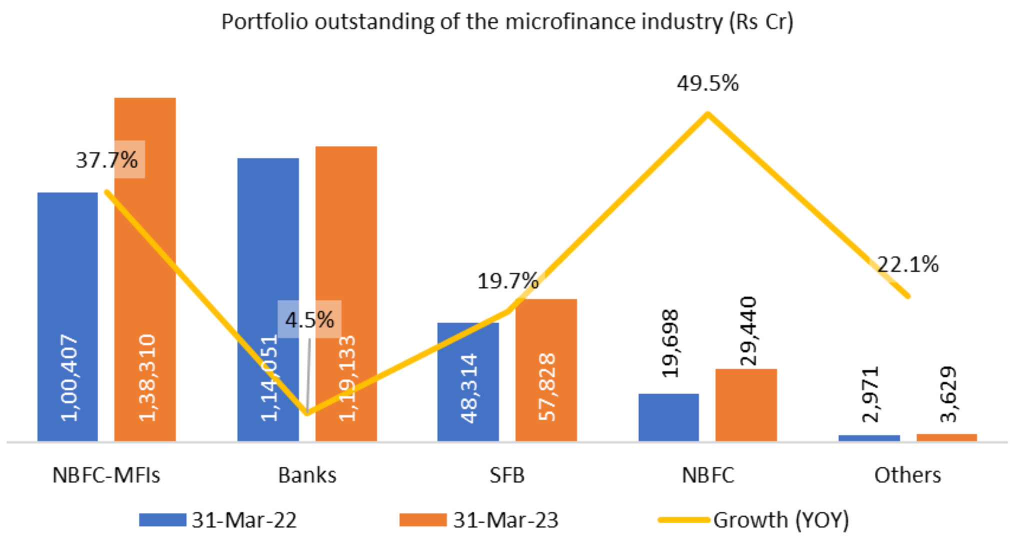
Universe: Portfolio outstanding

The pie-chart shows the share of each peer group in the universe for loan amount outstanding as percentages.

The portfolio of NBFC-MFIs portfolio has increased by 37.7% and banks by 4.5%, SFBs by 19.7%, NBFCs by 49.5% and Other MFIs have increased by 22.1% on a YoY basis.
As shown in PAR trend graph, PAR>30 has shown an overall improvement in comparison to last quarter as well as the same quarter of last FY for all entities.



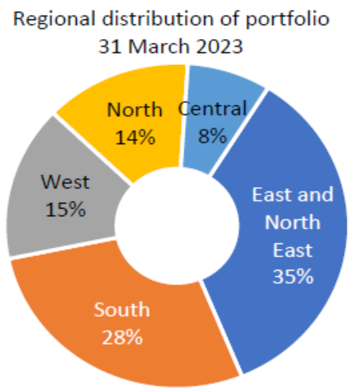


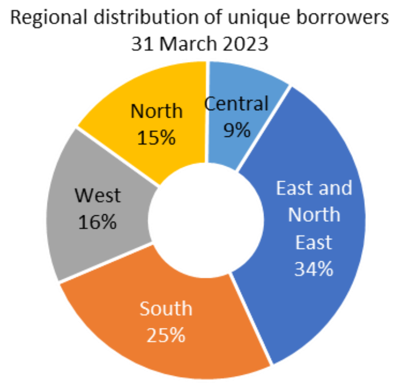


(Source: Issue 45, Micrometer, Data as on 31, March 2023)

Universe: Regional distribution

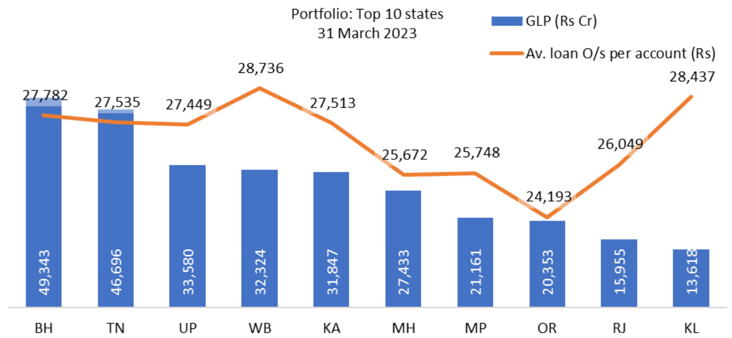
As on 31 March 2023, the industry serves 6.6 Cr unique borrowers through 13.0 Cr loan accounts. The regional spread is depicted in the pie-chart below which shows around 63% portfolio is concentrated in East & North east and South regions.





(Source: Issue 45, Micrometer, Data as on 31, March 2023)

The Top 10 states (based on universe data) constitute 83.9% in terms of GLP. Bihar continues to be the largest state in terms of portfolio outstanding followed by Tamil Nadu and Uttar Pradesh. Among Top 10 states, West Bengal has the highest average loan outstanding per account now of Rs 28,736 followed by Kerala at Rs 28,437.

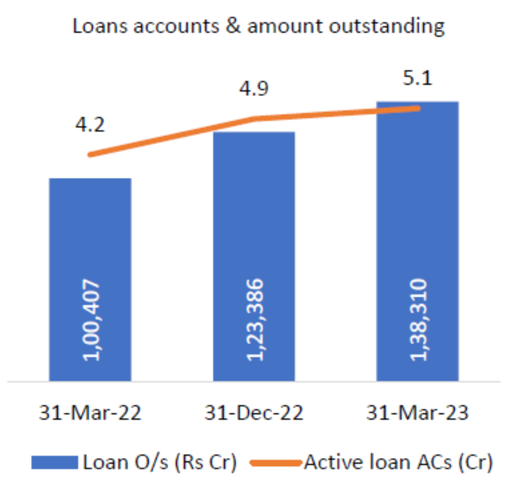


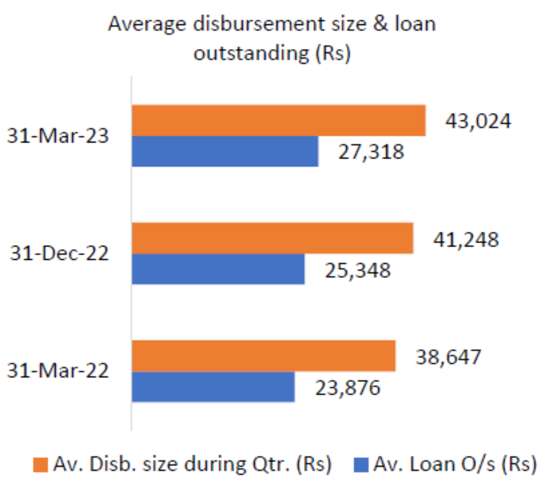
(Source: Issue 45, Micrometer, Data as on 31, March 2023)

Universe: State distribution

As on 31 March 2023, microfinance operations are present in 729 districts across 28 states and 8 union territories (UTs), including very small portfolio in the UT of Ladakh and Lakshadweep.

NBFC-MFIs disbursed Rs 40,470 Cr in Q4 FY22-23 which is an increase of 37.2% over disbursement made in Q4 FY21-22 (Rs29,506Cr). The average loan size of Rs 43,024 for Q4FY22-23, is 11.3% higher than the average loan size in Q4FY21-22.





(Source: Issue 45, Micrometer, Data as on 31, March 2023)

NBFC-MFI Industry

This section is based on self-reported data of MFIN Primary Members up to state level. Analysis on NBFC-MFIs is based on data collected from 49 out of 49 reporting members for Q4FY22-23, that are registered with the Reserve Bank of India (RBI).

Updated data for Two Members (Adhikar and Fino Finance) was not available and hence not used for aggregated analysis.

Categorization of NBFC-MFI in the panel depends on the size of MFI in the current quarter. MFIs with GLP below Rs 500 Cr are categorized as small, >=Rs500 Cr to <2,000 Cr as medium and >=Rs2,000 Cr as large. As on 31 March 2023, there are 24 Small, 11 medium and 14 large NBFC-MFIs.

Analysis on funding received during FY2022-23 is based on data received from 45 Members including 22 Small, 10 Medium and 13 Large institutions.

For Asset & Liability Management (ALM) analysis, self-reported data of 45 NBFC-MFIs have been used including 22 small, 10 medium and 13 large institutions.

Highlights

Some highlights of this quarter / financial year are as under:

- As on 31 March 2023, 3.9 Cr clients* have loan outstanding from NBFC-MFIs, which is 20.0% higher than clients as on 31 March 2022.

- The Assets under Management (AUM) of MFIs is Rs 1,31,163 Cr as on 31 March 2023, including owned portfolio Rs 1,07,232 Cr and managed portfolio (off BS) of Rs 23,931 Cr. The owned portfolio of MFIN members is about 77.5% of the NBFC-MFI universe portfolio of Rs 1,38,310 Cr.

- On a YoY basis AUM has increased by 38.7 as compared to 31 March 2022 and by 15.7% in comparison to 31 December 2022.

- Loan amount of Rs 1,30,563 Cr was disbursed in FY 22-23 through 3.1 Cr accounts, including disbursement of Owned as well as Managed portfolio. This is 59.3% higher than the disbursements made in FY 21-22.

- Average loan amount disbursed per account during FY 22-23was Rs 42,010 which is an increase of around 12.9% in comparison to last financial year.

- As on 31 March 2023, the borrowings O/s were Rs 97,420 Cr. Banks contributed 60.3% of borrowings O/s followed by 22.2% from Non-Bank entity, 9.3% from AIFIs, 4.1% from other sources and 4.1% from External Commercial Borrowings (ECB).

- During FY 22-23, NBFC-MFIs received a total of Rs 74,787 Cr in debt funding, which is 59.2% higher than FY 21-22. Banks contributed 69.2% of the total Borrowing received followed by Non- Bank entities 21.0 %, AIFIs 6.7%, ECB 1.8% and Others 1.3%.

- Total equity increased by 25.4% as compared to end of FY 22-22 and is at Rs 26,332 Cr as on 31 March 2022.

- Portfolio at Risk (PAR)>30 days as on 31 March 2023 has reduced to 4.0% as compared to 9.7% as on 31 March 2022.

- MFIs have presence in 27 states and 5 union territories.

- In terms of regional distribution of portfolio (GLP), East and North-East accounts for 32% of the total NBFC- MFI portfolio, South 26%, North 17%, West 15% and Central contributes 10%.

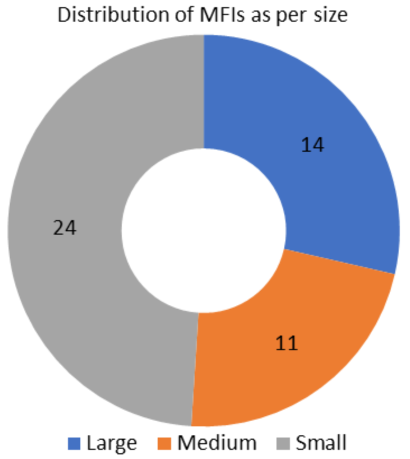
Indicator	Q4 FY 21-22 31-Mar-22	Q3 FY 22-23 31-Dec-22	Q4 FY 22-23 31-Mar-23	YoY change (%) Q4 FY 22-23 over Q4 FY 21-22
Branches	16,171	18,069	18,739	15.9%
Employees	1,38,527	1,54,873	1,61,010	16.2%
Clients~ (Cr)	3.3	3.7	3.9	20.0%
Loan accounts (Cr)	3.8	4.6	4.6	20.7%
Gross Loan Portfolio (Rs Cr)	94,570	1,13,348	1,31,163	38.7%
Balance sheet portfolio (Rs Cr)	80,831	94,308	1,07,232	32.7%
Loans disbursed (during the year, Cr)	2.2		3.1	41.1%
Loan amount disbursed (during the year, Rs Cr)	81,936		1,30,563	59.3%

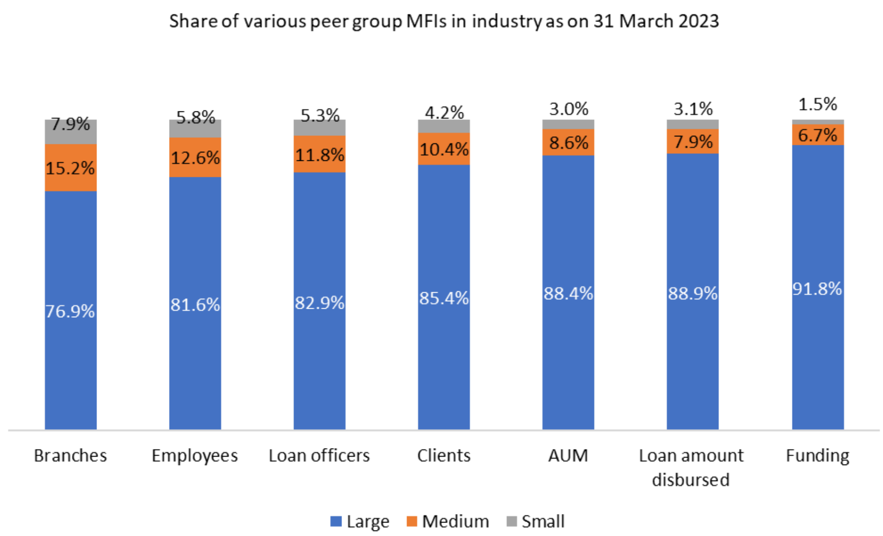
**The client's number here is the aggregate of clients of member MFIs. Given some degree of overlaps, it does not reflect the number of 'unique' clients.*
(Source: Issue 45, Micrometer, Data as on 31, March 2023)

Distribution of MFIs as per size and share of various peer group MFI in industry

As on 31 March 2022, amongst 49 MFIN member NBFC-MFIs, 24 are small (AUM < Rs 500 Cr), 11 medium (AUM >=Rs500 and <2000 Cr) and 25 large (GLP > Rs 500 Cr).

Large MFIs continue to hold largest proportion of industry outreach. Large MFIs account for 88.4% of the industry AUM, 85.4% of the client base, 88.9% of loan amount disbursed and 91.8% of debt funding received.





(Source: Issue 45, Micrometer, Data as on 31, March 2023)

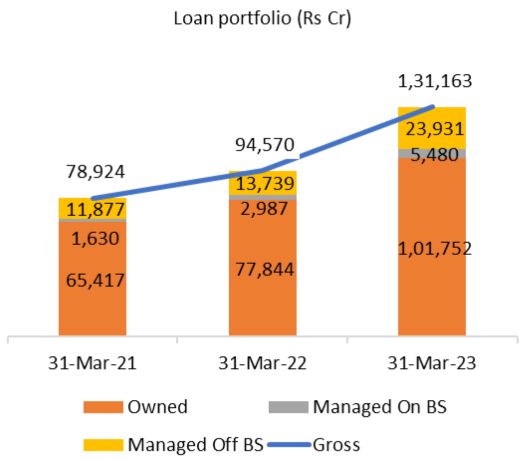
Portfolio

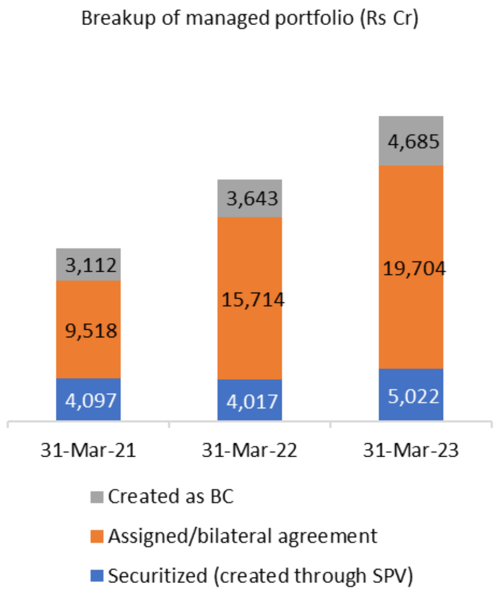
As on 31 March 2022, aggregated GLP (own + managed) of NBFC-MFIs stood at Rs 1,31,163 Cr, growth of 38.7% in comparison to 31 March 2022 and 15.7% over the quarter ending 31 December 2022.

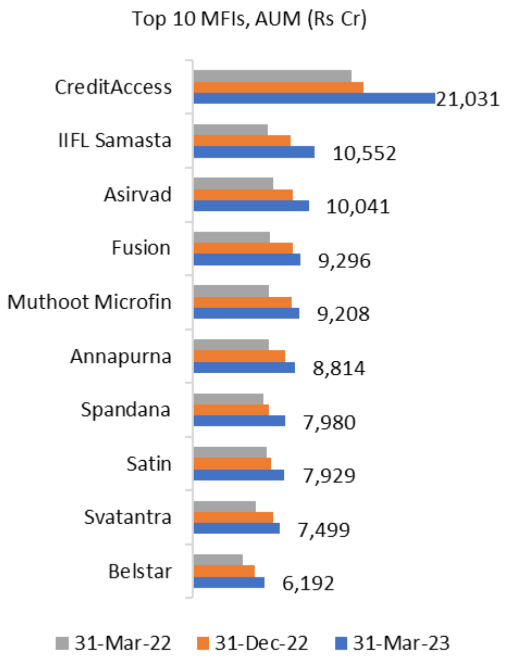
Managed portfolio is Rs 29,411 Cr, which includes Rs. 5,480 Cr of On-balance sheet managed portfolio (due to IndAS) and Rs 29, 931 Cr of Off-balance sheet managed portfolio.

Within the managed portfolio, portfolio created under Business Correspondent (BC) partnership has 15.9% share amounting to Rs 4,685 Cr. PTC & DA contributes 17.1% and 67.0%of total managed portfolio respectively.

As on 31 March 2023, Top 10 MFIs accounted for 75.1% of the industry portfolio.







*For MFIs under IndAS, Securitized portfolio is reflected in BS portfolio. For others, it is part of managed portfolio. Hence, totals of breakup in above graph will not be equal to total off- balance sheet portfolio (in graph titled "Loan portfolio")

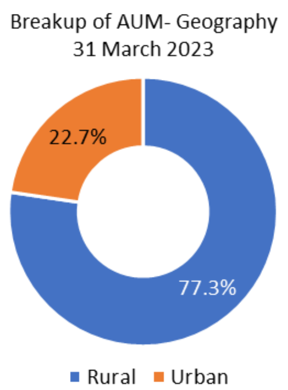
(Source: Issue 45, Micrometer, Data as on 31, March 2023)

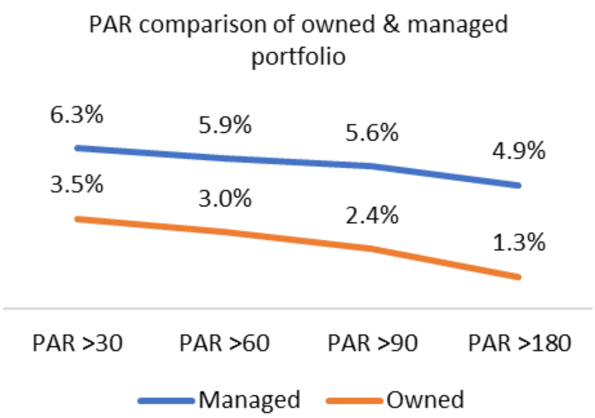
Portfolio: Breakup

In terms of geographic spread, 77.3% of the portfolio is rural and 22.7% is urban.

In terms of purpose, agriculture and allied loans account for 63.5 % of the AUM. Non-agriculture (trade/services and manufacturing) loans account for 34.2% and household finance loans account for 2.3% of the AUM.

Based on data from 49 NBFC MFIs, quality of owned portfolio appears much better as compared to managed portfolio.





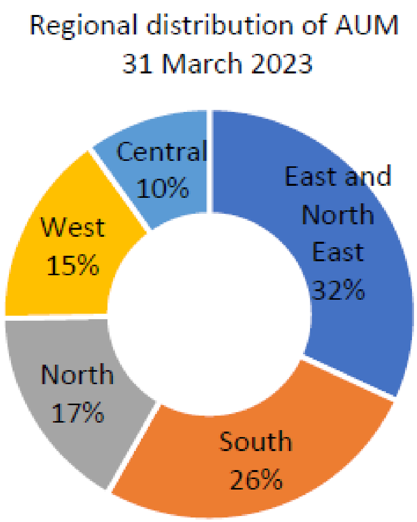
Lending Purpose	Share of total AUM
Agriculture and Allied Activities (total)	**63.5%**
Non-agriculture (total)	**34.2%**
Trade and services	27.8%
Manufacturing / production	6.4%
Household Finance (total)	**2.3%**
Education	0.2%
Medical	0.0%
Housing / home improvement	1.2%
Other household finance	1.0%

(Source: Issue 45, Micrometer, Data as on 31, March 2023)

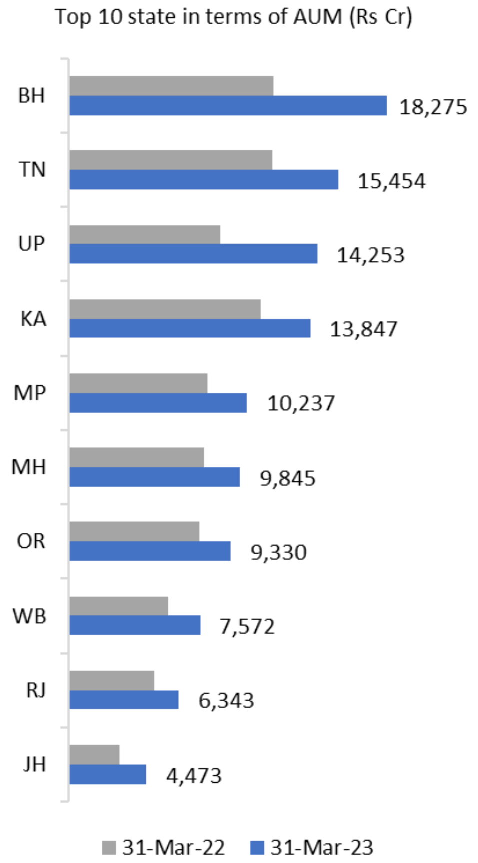
Portfolio: Regional distribution

In terms of regional distribution of portfolio (AUM), East and Northeast accounts for 21% of the total NBFC MFI portfolio, South 26%, North 17%, West 15% and Central contributes 10%.

Five top states in terms of loan amount outstanding are Bihar, Tamil Nadu, Uttar Pradesh, Karnataka and Madhya Pradesh. They account for 54.9% of AUM and Top 10 states account for 83.6% of the total loan amount outstanding.



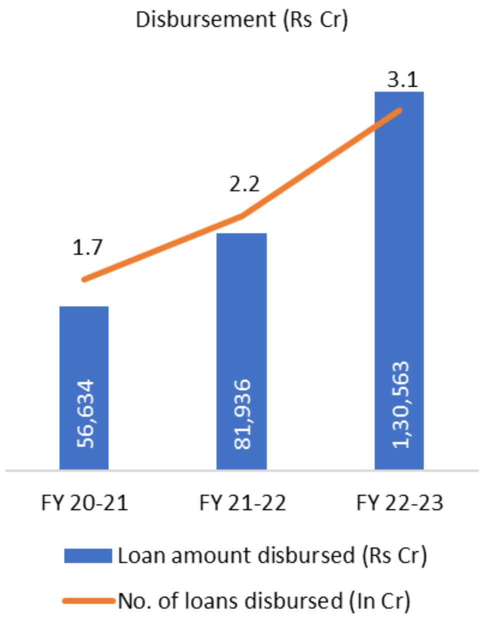
Portfolio at Risk for Top 15 states in terms of AUM (31 March 2023)			
States	PAR >30	PAR >90	PAR >180
BH	1.9%	1.3%	0.8%
TN	4.3%	3.2%	2.4%
UP	2.0%	1.5%	1.0%
KA	2.1%	1.6%	1.1%
MP	4.9%	3.7%	2.0%
MH	3.8%	3.1%	2.0%
OR	4.4%	3.3%	1.5%
WB	6.2%	4.5%	2.9%
RJ	5.3%	3.6%	2.3%
JH	2.4%	1.8%	1.2%
GJ	4.6%	3.1%	2.2%
KL	5.8%	4.7%	3.9%
HR	4.1%	3.0%	1.9%
CG	5.2%	3.8%	2.3%
PB	6.3%	4.8%	3.6%

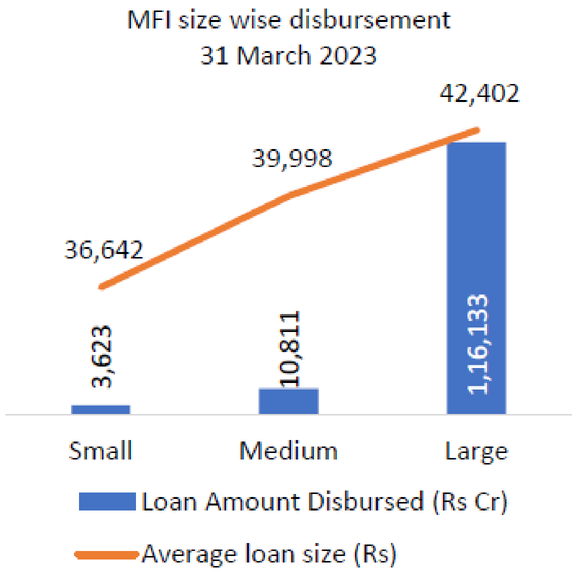


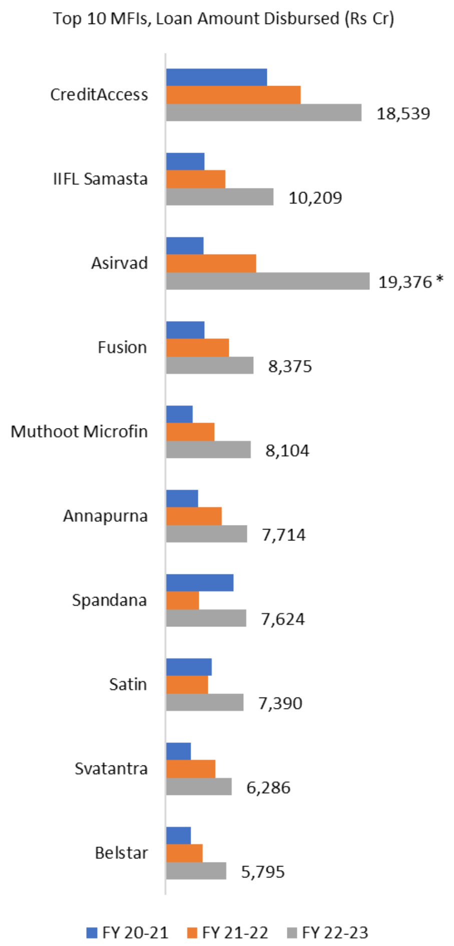
(Source: Issue 45, Micrometer, Data as on 31, March 2023)

Disbursements: MFI level
During FY22-23, MFIs disbursed 3.1Cr loans worth Rs 1,30,563 Cr. Compared with FY21-22, there has been a YoY increase of 41.1% in number of loans disbursed and 59.3% in loan amount disbursed.

Top 10 MFIs in terms of loan amount disbursed accounted for 76.1% of industry disbursements inFY22-23.



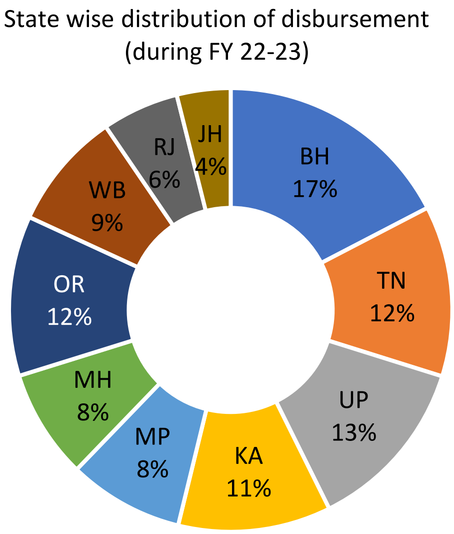


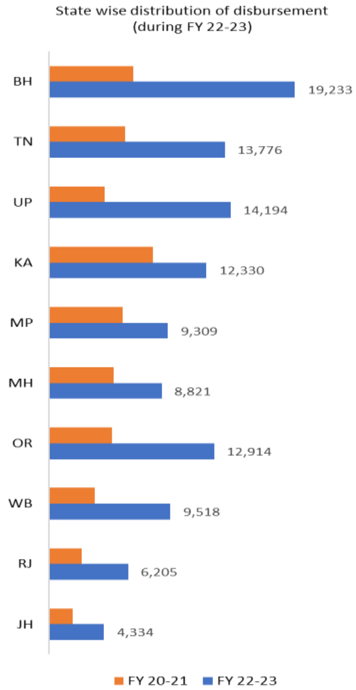


** Includes gold loans*
(Source: Issue 45, Micrometer, Data as on 31, March 2023)

Disbursements: State level

Top 5 states contributed 52.7% and top 10 states contribute 84.7% of total disbursement of FY 22-23.

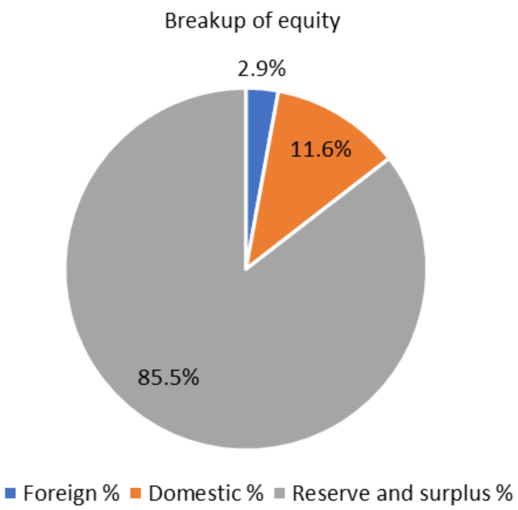


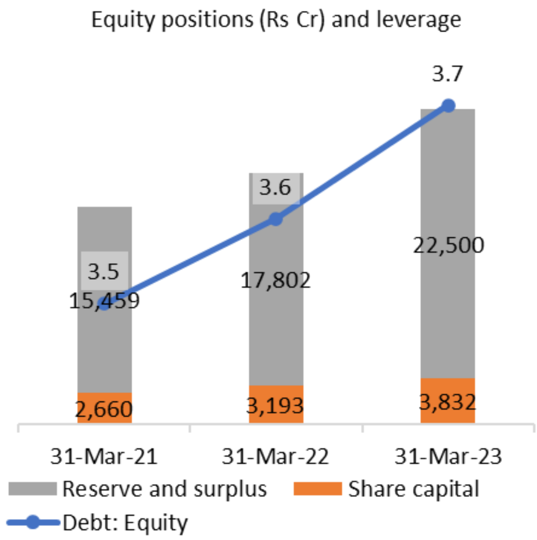


(Source: Issue 45, Micrometer, Data as on 31, March 2023)

Financials

As on 31 March 2022, the total equity of the industry stands at Rs 26,332 Cr which is 25.4% of the net owned portfolio. At an aggregated industry level, reserve and surplus contribute 85.4% of total equity. Of the shareholder's fund domestic equity is 80.2% and foreign equity is 19.8%.

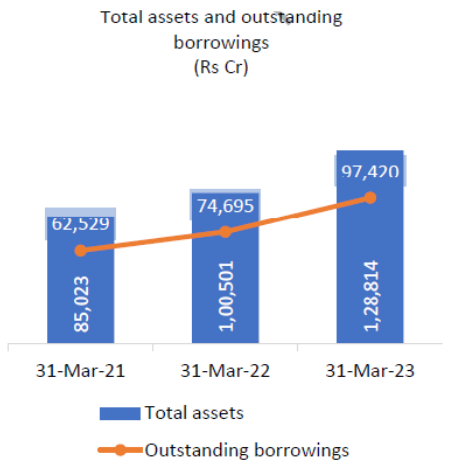


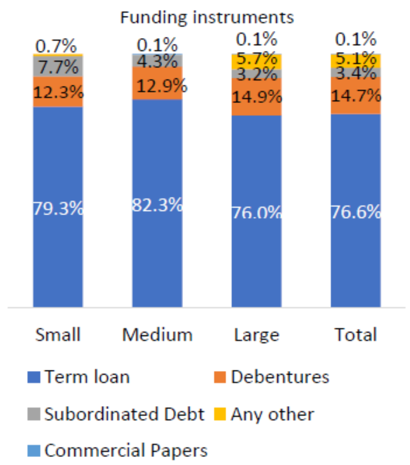


(Source: Issue 45, Micrometer, Data as on 31, March 2023)

As on 31 March 2023, NBFC-MFIs have total asset base of Rs 1,28,814 Cr. Outstanding borrowings are Rs 97,420 Cr. YoY increased in borrowings outstanding is 30.4% and in total asset is 28.2%.

Among the funding instruments used, term loans contributed 76.6% of the debt outstanding, followed by debentures at 14.7%, other instruments 5.1%, sub-debt at 3.4%and commercial papers at 0.1%. Large MFIs have been able to use more diversified sources of borrowing.





(Source: Issue 45, Micrometer, Data as on 31, March 2023)

ALM Analysis

The analysis of Asset Liability Management (ALM) of MFIN member MFIs is based on self-reported data as on 31 March 2023, provided by 45 institutions including 22 small, 10 medium and 13 large NBFC-MFIs. In terms of portfolio size, they represent 83.5% of the overall AUM of 49 MFIN members. The small MFIs in the sample represent 98.3%, medium 95.3% and large 81.9% of AUM of the irrespective categories. The maturity buckets (for assets & liabilities) used for analysis are <1month, 1 to <3months, 3 to <6months, 6 to <12months and >12months.

The graph below depicts the gap between assets and (liability + equity) of various sizes of MFIs in different maturity bucket (up to<12months).

(Source: Issue 45, Micrometer, Data as on 31, March 2023)

It is evident that all sizes of NBFC-MFIs continue to be well placed in terms of ALM across various buckets. The gap (=assets – (liability + equity)) reduces across buckets. The overall gap was 57.8% of total assets for <1 month, 9.1% for 1 to <3 months, around 18.9% for 3 to <6 months and 20.2% for 6 to <12 months buckets for the overall sample. The gap in <1 month bucket was 54.8% for small, 45.8% for medium and 59.1% for large MFIs which seems comfortable.

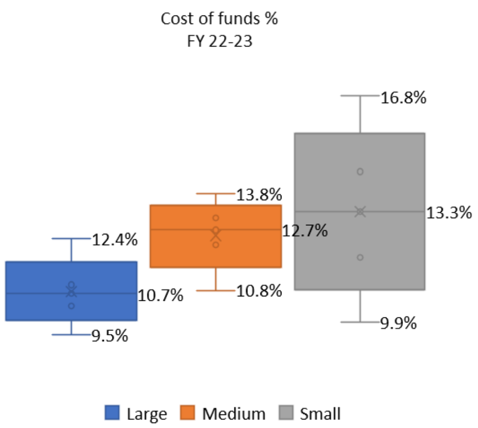
The gap for >12 months was negative across all categories mainly because of smaller value of portfolio maturing (38.2% of total on balance sheet portfolio) in comparison to amount of borrowing maturing (43.1% of total loan and interests repayable) in this bucket.

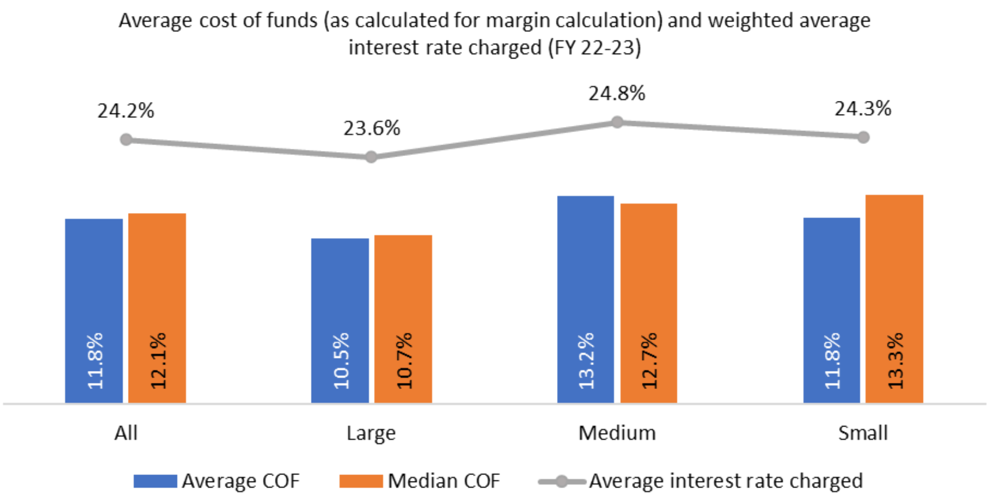
(Source: Issue 45, Micrometer, Data as on 31, March 2023)

Cost of funds and pricing

At an industry level average cost of funds for FY 22-23 is 11.8% and Median is 12.1%. Overall spread of cost of funds ranges from 9.5% to 16.8%. For,

- Large MFIs, the range is between 9.5% to 12.4%.
- Medium MFIs, range is between 10.8% to 13.8%.
- Small MFIs, range is between 9.9% to 16.8%.





(Source: Issue 45, Micrometer, Data as on 31, March 2023)

RBI's Regulatory Framework For Microfinance Loans:

Revised framework to harmonies microfinance regulations across lenders and provide more flexibility to NBFC-MFIs; however, increased indebtedness limit poses over-leveraging risk

Lenders in the microfinance finance industry in India comprise not only non-banking financial company - microfinance institutions (NBFC-MFIs), but also NBFC - investment and credit companies (NBFC-ICC), scheduled commercial banks (SCBs), small finance banks (SFBs) and others. However, the Reserve Bank of India's (RBI) regulations for microfinance lending activities are applicable only to NBFC-MFIs while the other lenders are governed by the respective regulatory frameworks as applicable to them. As the composition of the industry is tilted towards SCBs and SFBs, which have a majority share (~60%) of microfinance (excluding the self-help groups bank linkage programme) in the country while the NBFC-MFIs have a share of ~30%, there is a need for a harmonised regulatory framework.

Accordingly, the RBI had issued a consultation paper on regulation of microfinance on June 14, 2021 and has now issued its final regulations called - Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022" on March 14, 2022, which would be applicable from April 1, 2022. The said paper makes regulations lender agnostic and hence is applicable to all the RBI regulated entities (REs) involved in microfinancing activities including SCBs, SFBs and NBFC-ICCs. It also brings larger not-for-profit companies involved in microfinance activities under the ambit of these regulations. The regulations aim to provide a level playing field to all the players involved in microfinancing activities. The impact of these regulations on some of the issues faced by the industry are as follows:

- **Over-leveraging and borrowers' repayment capacity**– As per the existing regulatory framework for the NBFC-MFIs, they must adhere to a cap on the lending amount and with respect to the number of lenders who can provide loans to a microfinance borrower. This is done to avoid over-leveraging at the borrower level. However, since the said regulation does not apply to other lenders, the borrower may borrow more from a lender other than an NBFC-MFI, thereby defeating the purpose.

  The new rules are applicable to all the REs involved in microfinance activities and coupled with the focus on borrowers' repayment obligations in relation to their total household income, are targeted to prevent over-leveraging at the borrower level. However, the increase in the household income level would result in almost doubling of maximum permitted indebtedness of the borrowers. Further, divergence in household income assessment by different lenders (including digital lenders) and the removal on cap of number of lenders could pose the risk of over leveraging. The role of credit information companies (CIC) will be crucial in managing the flow of information however, it may take some time for processes to evolve.
  The revised household income criteria would lead to increase in maximum indebtedness level of the households compared to current limits. Assuming a 22% rate of interest and tenure of 24 months, a household with an income of Rs. 3,00,000 would be eligible for a maximum loan of Rs. 2,40,000 compared to the existing borrowing limit of Rs. 1,25,000 per microfinance borrower.

- **Flexibility to NBFC-MFIs –** The current regulatory framework, including interest rate cap and other operational restrictions, was applicable to the NBFC-MFIs, whereas other lenders involved in microfinancing activities were not required to adhere to the same. With the revised regulatory framework, this issue would get resolved and the NBFC-MFIs would get a level playing field with other lenders and would also enjoy more flexibility, especially in risk-based pricing. However, they will have to put in place board-approved policies on household income assessment, loan pricing regulations and related aspects. In addition, increased data gathering, and enhanced disclosure requirements may slightly increase the operating expenses.

  The removal of the pricing cap is expected to make the players compete on the pricing of loans, thus benefiting the borrowers in the long term. However, given the low interest rate elasticity in the sector and given the moderation in the profitability because of the Covid-19 induced stress, the industry is expected to witness some increase in interest rates in the near term.

On an overall basis, the revised regulations provide flexibility to the NBFC-MFIs, increase the size of the addressable market for the industry and bring more information/disclosures for the benefit of the entire industry. However, at the same time, the increased loan limit would pose the risk of overleveraging. Further, it remains to be seen as to how some of the aspects, as mentioned below, would evolve:

- Household income level fluctuations and divergence in assessment criteria by different lenders
- Monitoring and reporting of data with CICs by all REs
- Impact of the increased competition and changes in underwriting policies of REs as the revised definition may bring other unsecured loan products under the ambit of microfinance
- Meeting enhanced disclosure requirements
- Managing differential risk-based pricing given the level of financial awareness of borrowers

(ICRA Report on "Indian Microfinance Industry" dated March 2022)

EXHIBIT 1: Comparison of Existing Framework for NBFC-MFIs with Proposed Regulations (June 2021), Final Regulations (March 2022) and its Impact on the Sector

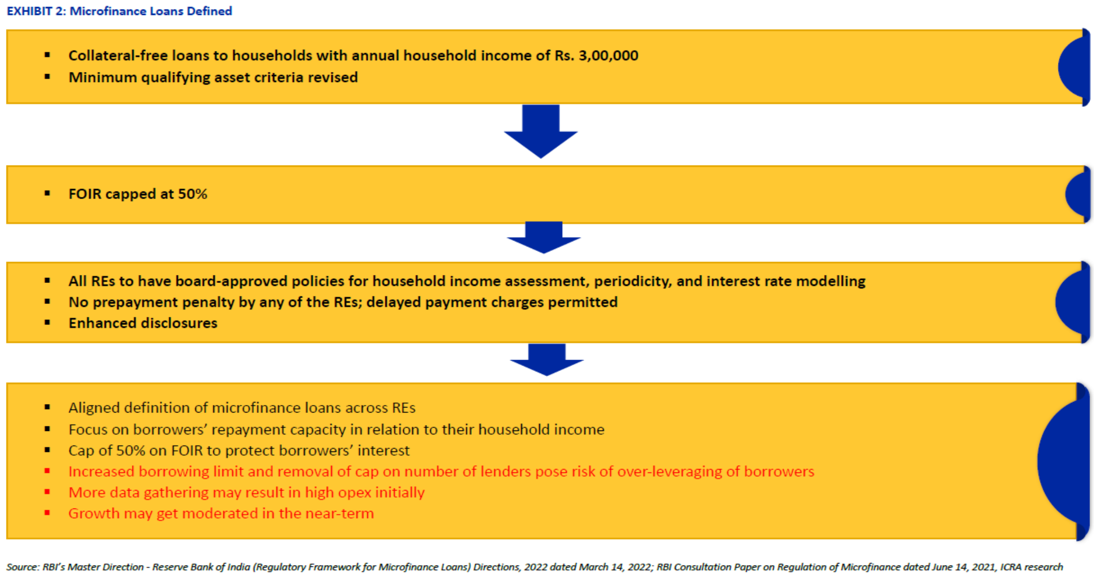
	Existing Framework for NBFC–MFIs	Proposed Regulations for all REs (June 2021)	Final Regulations for all REs (March 2022)	Impact on the Sector
Qualifying Assets	I The NBFC-MFI is required to maintain a minimum **85 per cent of its net assets** (assets other than cash, bank balances and money market instruments) as 'qualifying assets' i.e. microfinance loans II An NBFC that does not qualify as an NBFC-MFI, cannot extend microfinance loans exceeding 10 per cent of its total assets	I No change mentioned	I The minimum requirement of microfinance loans for NBFC-MFIs stands revised to **75 per cent of the total assets** II The maximum limit on microfinance loans for such NBFCs (i.e., NBFCs other than NBFC-MFIs) now stands revised to 25 per cent of the total assets	▪ For the NBFC-MFIs – the impact of change in limit would vary depending on the liquidity being maintained by the entity as the revised limit is to be calculated on total assets1 instead of net assets ▪ The NBFC-MFIs carrying high liquidity (>~12%) would see lower limit available for non-microfinance loans and vice versa. Thus, the extent of diversification would be driven entities liquidity position ▪ For the NBFCs (including digital lenders) other than NBFC-MFIs – increase in limit provides option of adding more microfinance loans. ▪ On the other hand, increased borrowing limit (as discussed subsequently) for microfinance loans may pose competition to some of the low-ticket secured loan products of NBFCs
Definition of microfinance loans	I To be classified as a 'qualifying asset' i.e., a microfinance loan, a loan should satisfy the following conditions: a) Loan to a borrower with a rural household annual income not exceeding Rs. 1,25,000 or urban and semi-urban household income not exceeding Rs. 2,00,000	I Microfinance loans shall mean **collateral-free loans to households** with annual household income of Rs. 1,25,000 and Rs. 2,00,000 for rural and urban/semi-urban areas, respectively 'Household' means a group of persons normally living together and taking food from a	I Microfinance loans shall mean collateral-free loans to households with annual household income of Rs. 3,00,000, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels). **'Household' shall mean an individual family unit, i.e., husband, wife and**	▪ The **definition of microfinance loans (qualifying assets) stands aligned** across all REs ▪ With a cap on the FOIR at 50% and while meeting the household income criteria of Rs. 3,00,000 (rural and urban/semi-urban areas distinction not applicable), the

	Existing Framework for NBFC–MFIs	Proposed Regulations for all REs (June 2021)	Final Regulations for all REs (March 2022)	Impact on the Sector
	b) Loan amount does not exceed Rs. 75,000 in the first cycle and Rs. 1,25,000 in subsequent cycles c) Total indebtedness of the borrower does not exceed Rs. 1,25,000 (excluding loans availed towards meeting education and medical expenses) d) Minimum tenure of 24 months for loan amount greater than Rs. 30,000 with prepayment without penalty e) Loan to be extended without collateral f) Aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs g) Loan is repayable in weekly, fortnightly, or monthly instalments at the choice of the borrower II Not more than two NBFC-MFIs can lend to the same borrower	common kitchen. Even though the determination of the actual composition of a household shall be left to the judgment of the head of the household, emphasis should be placed on 'normally living together' rather than on 'ordinarily taking food from a common kitchen' Other related instructions a) Each RE shall have a board-approved policy for ▪ household income assessment ▪ capping the payment of interest and repayment of principal for all outstanding loan obligations of the household as a percentage of the household income, subject to a maximum limit of 50 per cent i.e., fixed obligations to income ratio (FOIR) cannot exceed 50% ▪ periodicity of repayments ▪ all-inclusive interest rates charged from the borrowers b) No prepayment penalty c) Disclosure of pricing-related information in a standard simplified fact sheet d) Display of minimum, maximum and average interest rates charged on microfinance loans	**their unmarried children** II Other related instructions a) To ensure collateral-free nature of the microfinance loan, the loan shall not be linked with a lien on the deposit account of the borrower b) REs will have a board-approved policy for - ▪ household income assessment ▪ Capping the payment of interest and repayment of principal for all outstanding loan obligations of the household as a percentage of the household income, subject to a maximum limit of 50 per cent i.e., fixed obligations to income ratio (FOIR) cannot exceed 50% (existing loans breaching this limit shall be allowed to mature) ▪ flexibility of periodicity of repayments as per borrowers' requirement c) No prepayment penalty d) Disclosure of pricing-related information in a standard simplified fact sheet e) Display of minimum, maximum and average interest rates charged on microfinance loans f) Mandatory submission of information regarding household income to the CICs. Reasons for any divergence between the already reported household income and assessed household income shall be specifically ascertained from the borrower/s before updating the assessed household income with CICs. Each RE shall also provide timely and accurate	**maximum permissible indebtedness of microfinance borrowers could increase (as compared to possibility of reduction for rural borrowers as per proposed changes of June 2021)** than the current level. Assuming a tenure of 24 months and interest rate of ~22% p.a., the maximum permissible household-level loan comes to around Rs. 2,40,000. By increasing tenure, it can further be increased. ▪ The criteria of minimum 50% of loans as income-generating loans and the cap on the number of lenders to the same borrowers stand withdrawn. The **focus shifts to borrowers' overall repayment capacity in relation to their household income.** ▪ It will remain monitorable, how the industry manages divergence of income assessment and accordingly managing overleveraging to vulnerable borrowers. Inability to manage the same may increase the asset quality risk for the REs going forward. However, increased information availability, cap on

	Existing Framework for NBFC–MFIs	Proposed Regulations for all REs (June 2021)	Final Regulations for all REs (March 2022)	Impact on the Sector
			data to the CICs and use the data available with them to ensure compliance with the level of indebtedness.	FOIR and prudence by both borrowers and lenders should help manage the risk ▪ **NBFC-MFIs will need to have well-documented policies for household income assessment**. In addition, the operating cost may increase slightly for gathering and providing more data and undertaking more comprehensive credit bureau data checks vis-à-vis the data currently accessed by the MFIs

(ICRA Report on "Indian Microfinance Industry" dated March 2022)

EXHIBIT 2: Microfinance Loans Defined



(ICRA Report on "Indian Microfinance Industry" dated March 2022)

EXHIBIT 3: Comparison of Existing Framework for NBFC-MFIs with Proposed Regulations (June 2021), Final Regulations (March 2022) and its Impact on the Sector

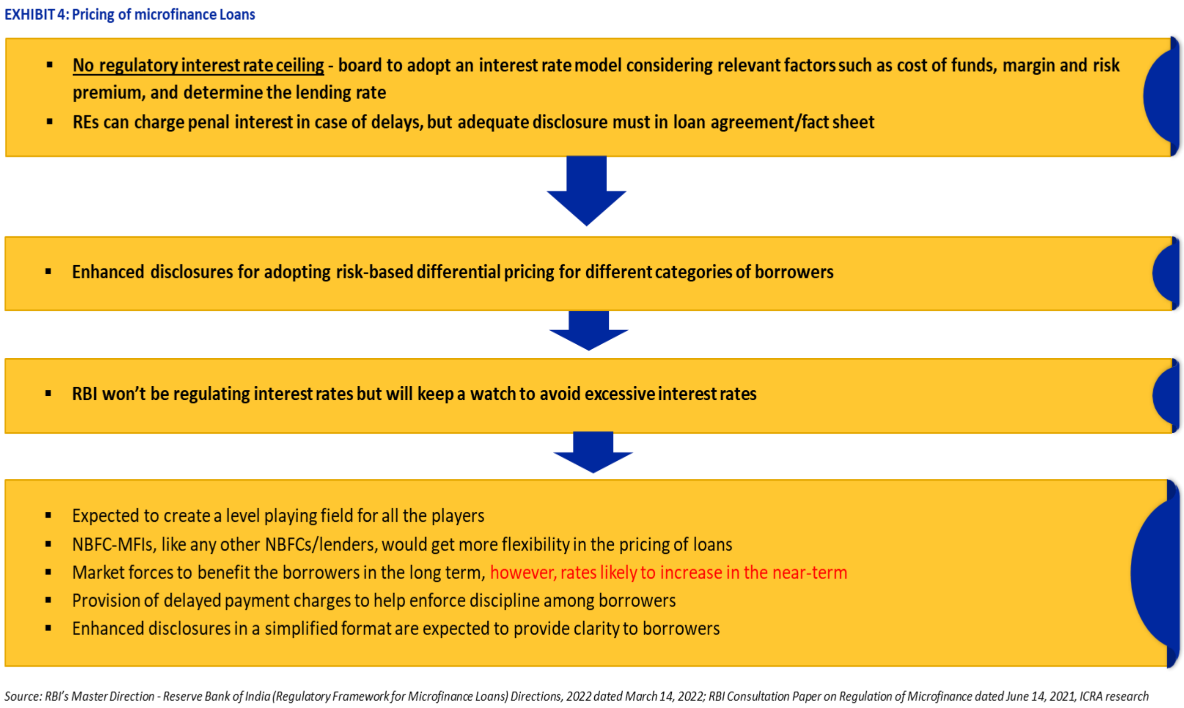
	Existing Framework for NBFC–MFIs	Proposed Regulations for all REs (June 2021)	Final Regulations for all REs (March 2022)	Impact on the Sector
Pricing of micro finance loans	II. Maximum interest charged by an NBFC-MFI shall be the lower of - III. The cost of funds plus a margin cap of 10% for MFIs with loan portfolio of Rs.	I. The board of each NBFC-MFI shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin	I. The board of each NBFC-MFI shall adopt an interest rate model taking into account relevant factors	▪ The regulations aim to **align the pricing guidelines** for NBFC-MFIs with that prescribed for

	Existing Framework for NBFC–MFIs	Proposed Regulations for all REs (June 2021)	Final Regulations for all REs (March 2022)	Impact on the Sector
	100 crore or above and 12% for others IV. The average base rate of the five largest commercial banks by assets multiplied by 2.75 The average base rate of the five largest commercial banks is announced by the RBI at the end of each quarter, which determines the interest rate for the ensuing quarter V. The average interest rate on loans sanctioned during a quarter does not exceed the average borrowing cost during the preceding quarter plus the margin VI. The maximum variance permitted for individual loans between the minimum and maximum interest rate cannot exceed 4 per cent VII. The average interest paid on borrowings and charged by NBFC-MFIs are to be calculated on the average monthly balances of the outstanding borrowings and the loan portfolio, respectively. Figures to be certified annually by statutory auditors and disclosed in the balance sheet VIII. Processing charges shall not be more than 1 per cent of gross loan amount. Processing charges need not be included in the margin cap or the interest cap IX. NBFC-MFIs shall recover only the actual cost of insurance for group or livestock, life, health for borrower and spouse. Administrative charges, where recovered, shall be as per the Insurance Regulatory and Development Authority's (IRDA) guidelines X. No penalty shall be charged on delayed payments	and risk premium, and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rates of interest from different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter II. The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies or published in relevant newspapers. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest III. The rate of interest must be an annualised rate so that the borrower is aware of the exact rates that would be charged on the account IV. Though interest rates are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive and can neither be sustainable nor conforming to normal financial practice. Boards of NBFC-MFIs, therefore, shall lay out appropriate internal principles and procedures for determining interest rates and processing and other charges. In this regard, the directions in the fair practices code about transparency in respect of terms and	such as cost of funds, margin and risk premium, and determine the rate of interest to be charged for loans and advances. II. Each RE shall disclose pricing related information to a prospective borrower in a standardised simplified factsheet III. Any fees to be charged to the microfinance borrower by the RE and/ or its partner/ agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet. IV. Each RE shall prominently display the minimum, maximum and average interest rates charged on microfinance loans in all its offices, in the literature (information booklets/ pamphlets) issued by it, details on its website and in supervisory returns. Any change to be prospective only and to informed well in advance V. RBI would also make available information regarding interest charged by REs on microfinance loans.	NBFCs and other lenders in general. This is **expected to create a level playing field** for all the players ▪ NBFC-MFIs, like any other NBFCs, would get **more flexibility in the pricing of loans**; however, they would need to have board-approved policies and enhanced disclosures ▪ The interest rate ceiling had been working as a de facto interest rate in the industry for all the players and the removal of the same is expected to make the players compete on the pricing of loans. ICRA expects the market forces to work to benefit the borrowers in the long-term but because of the borrowers being less sensitive to interest rate and also because of the level of margin pressure faced by NBFC-MFIs in the last two years, the interest rates charged to borrowers may increase in the near-term. ▪ The provision for the levy of delayed payment charges is **likely to help enforce discipline among borrowers** ▪ Enhanced disclosures in a simplified format are **expected to**

	Existing Framework for NBFC–MFIs	Proposed Regulations for all REs (June 2021)	Final Regulations for all REs (March 2022)	Impact on the Sector
		conditions of the loans are to be kept in view V. NBFC-MFIs shall give notice to the borrower in the vernacular language or a language understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc. NBFC-MFIs shall also ensure that changes in interest rates and charges are effective only prospectively. A suitable condition in this regard must be incorporated in the loan agreement VI. NBFC-MFIs shall mention the penal interest charged for late repayment in bold in the loan agreement	VI. Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank VII. There shall be no pre-payment penalty on microfinance loans. Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount	**provide clarity to borrowers** to help them make informed decisions

(ICRA Report on "Indian Microfinance Industry" dated March 2022)

EXHIBIT 4: Pricing of microfinance Loans



(ICRA Report on "Indian Microfinance Industry" dated March 2022)

EXHIBIT 5: Comparison of Existing Framework for NBFC-MFIs with Proposed Regulations (June 2021), Final Regulations (March 2022) and its Impact on the Sector

	Existing Framework for NBFC–MFIs	Proposed Regulations for all REs (June 2021)	Final Regulations for all REs (March 2022)	Impact on the Sector
Exemption for not-for-profit companies engaged in microfinance activities	I. Exemption from Sections 45-IA, 45-IB and 45-IC of the RBI Act, 1934 to a microfinance company which is- a) engaged in microfinancing activities i.e. providing credit not exceeding Rs. 50,000 for a business enterprise and Rs. 1,25,000 for meeting the cost of a dwelling unit to any poor person for enabling him to raise his level of income and standard of living; and b) registered under Section 8 of the Companies Act, 2013; and c) not accepting public deposits	I. Exemption from Sections 45-IA, 45-IB and 45-IC of the RBI Act, 1934 to a microfinance company which is - a) engaged in microfinancing activities i.e., providing collateral-free loans to households with annual household income of Rs. 1,25,000 and Rs. 2,00,000 for rural and urban/semi-urban areas, respectively, provided the payment of interest and repayment of principal for all outstanding loans of the household at any point of time does not exceed 50 per cent of the household's income; and b) registered under Section 8 of the Companies Act, 2013 c) not accepting public deposits; and d) having an asset size of less than Rs. 100 crore	I. The definition of microfinance loans for 'not for profit' companies (registered under Section 8 of the Companies Act, 2013) is now aligned with the revised definition of microfinance loans viz., collateral-free loans to households with annual household income up to ₹3,00,000, provided the monthly loan obligations of a household does not exceed 50 per cent of the monthly household income II. Exemptions from Sections 45-IA3, 45-IB4 and 45-IC5 of the RBI Act, 1934 have been withdrawn for those 'not for profit' companies engaged in microfinance activities that have asset size of ₹100 crore and above II. 'Not for profit' companies that are not eligible for the exemptions mentioned as mentioned above, are required to register as NBFC-MFIs and adhere to the regulations applicable to NBFC-MFIs. Such companies shall submit the application for registration as an NBFC-MFI to the RBI within three months of the	The regulations **align the definition of microfinance for Section 8 companies** with that prescribed for other lenders In addition, the **removal of the exemption for larger Section 8 entities brings them under regulatory supervision**. Thus, it would increase the compliance requirements for such entities However, most of the Section 8 entities operating in the microfinancing space have an asset size of less than Rs. 100 crore and would continue to enjoy exemptions

			issuance of this circular. Those companies that currently do not comply with the regulations prescribed for NBFC-MFIs, shall submit a board-approved plan, with a roadmap to meet the prescribed regulations, along with their application for registration	
Net owned Fund (NOF) Requirement	I. Rs. 5 crore (Rs. 2 crore in North- east region)	I. No mention	I. Existing NBFC-MFIs shall adhere to the NOF glidepath indicated under the Circular dated October 22, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs' as given below: By March 31, 2025 – Rs. 7 crore By March 31, 2027 – Rs. 10 crore	Enhanced capital requirement to make them more resilient. Marginal entities may find it difficult to raise required capital, however, sufficient time to meet the requirements

(ICRA Report on "Indian Microfinance Industry" dated March 2022)

Industry Outlook – NBFC MFIs

- ICRA expects the non-banking financial company –microfinance institutions (NBFC-MFIs) sector to report a return on managed assets (RoMA) of 1.9-2.1% in FY2023 and projects the same to increase further to 2.6-2.8% in FY2024.

- The improvement in the profitability would be an interplay of the growth in the assets under management (AUM), increase in net interest margins (NIMs) and reduction in credit costs, though the operating costs are expected to remain range-bound.

- The impact of rising interest rates on funding costs is likely to be visible in H2 FY2023 and FY2024. However, the NIMs are expected to rise in FY2023 and FY2024 as the entities have increased their lending rates under the new regulatory regime.

- With the expectation of buoyant demand and increase in the average ticket size, as seen Q2 FY2023 onwards, the industry's AUM is projected to grow at a healthy rate. ICRA estimates AUM growth of 30-35% for FY2023 and 20-25% for FY2024.

- While demand remains firm at present, uncertain global macroeconomic conditions, the high interest rate scenario and the increasing base of the industry would lead to a moderation in the growth rate in FY2024.

- The credit cost is expected to decline in FY2024 with continued improvement in the asset quality indicators, driven by recoveries and write-offs. ICRA expects the 90+ days past due (dpd) of NBFC-MFIs to improve to 2.0-2.2% by March 2024 from 3.7% as on December 31, 2022.

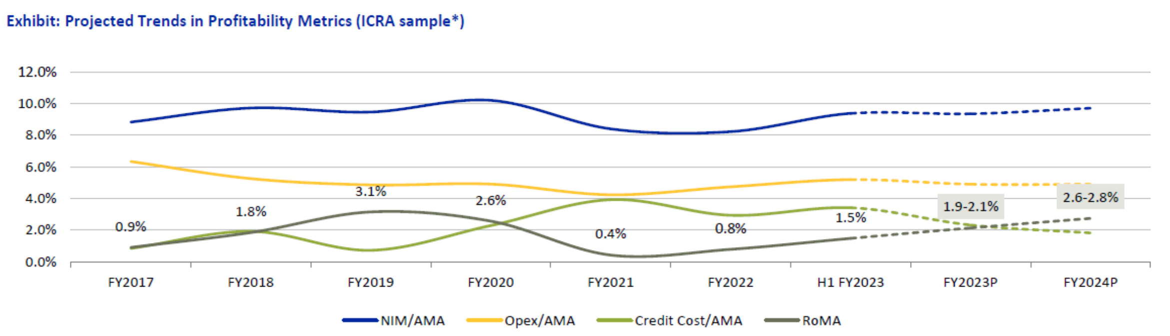
Outlook – Stable				
AUM Growth	Asset Quality	Funding and Liquidity	Profitability	Capital
20-25% in FY2024	90+ dpd – 2.0-2.2% by the end of FY2024	Rs. 20,000-22,000 crore in FY2024	RoMA – 2.6-2.8% in FY2024	Comfortable
Buoyant demand and expected increase in average ticket size to support growth; pace to moderate from FY2023 level	Delinquencies to continue declining, aided by recoveries and write-offs	Additional funding required to support growth, apart from refinancing existing/maturing lines	Improvement in margins and reduction in credit costs to support profitability	Moderate capital requirement, considering the growth outlook

(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

Profitability

Further Improvement expected H2 FY2023 onwards:

With the revised regulatory framework in place, MFIs raised their lending rates in H1FY2023. This, coupled with higher disbursements, helped the industry see an improvement in the NIMs in H1FY2023. The ICRA sample reported an improvement in the operating profitability and consequently an improvement in RoMA to 1.5% in H1FY2023 from 0.8% in FY2022 (0.4% in FY2021). ICRA expects the profitability to improve further in H2FY2023 and FY2024, driven by an increase in margins because of the growing share of the new portfolio originated at higher lending rates and reduction in credit costs.
*Source: Data from various MFIs, ICRA Research; *ICRA sample consists of 22-26 MFIs at different months, contributing 80-90% to the AUM of NBFC-MFIs at different dates.*

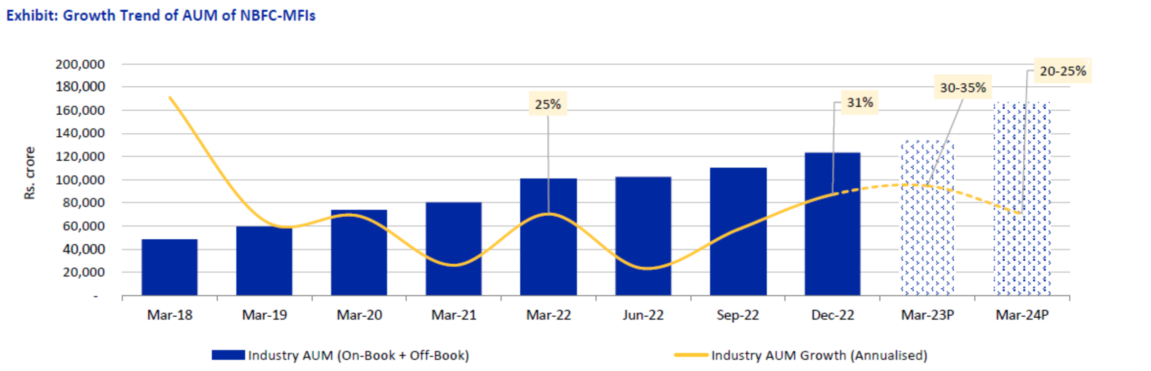


(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

AUM growth at 30-35% in FY2023 and 20-25%in FY 2024

After some slowdown in Q1FY2023, disbursements picked up pace from Q2FY2023 and the uptrend continued in Q3FY2023 with 48% YoY growth. Consequently, the AUM growth improved considerably and stood at 31% (annualised) in 9MFY2023. Looking at the healthy growth witnessed by the industry after coming out of the Covid 19 pandemic affected period and given the expectation of buoyant demand and increase in the average ticket size, ICRA has revised its FY2023 growth forecast to 30-35% from the previous forecast of 22-25%. Thereafter, the growth is likely to remain healthy, but it I s expected to moderate to 20-25% in FY2024 with the increasing base.

Source: Data from MFIs, MFIN, ICRA Research

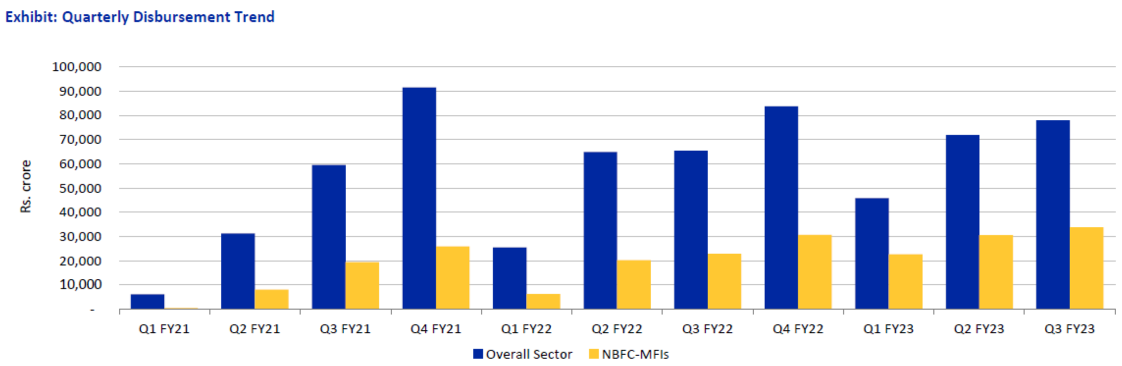


(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

NBFC-MFIs saw disbursements rising 48% YoY in Q3 FY2023

Disbursements in the first quarter of a fiscal are usually lower but the same were further impacted in FY2023 as the industry was busy implementing the revised microfinance regulatory framework. Nevertheless, disbursements picked up pace from Q2FY2023 onwards and the uptrend continued in Q3FY2023 with 48% YoY expansion. Given the buoyant demand and the expected increase in the average ticket size, disbursements are expected to pick up further in Q4FY2023 and FY2024.

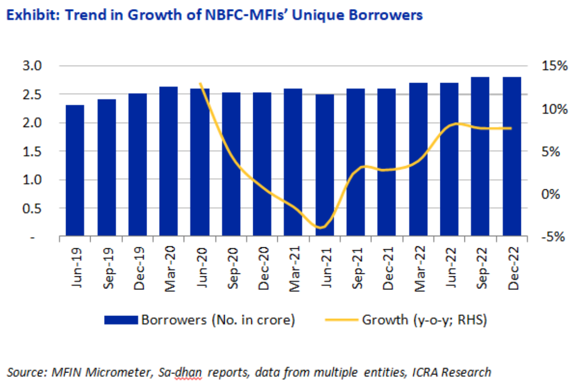
Source: Data from MFIs, MFIN, ICRA Research

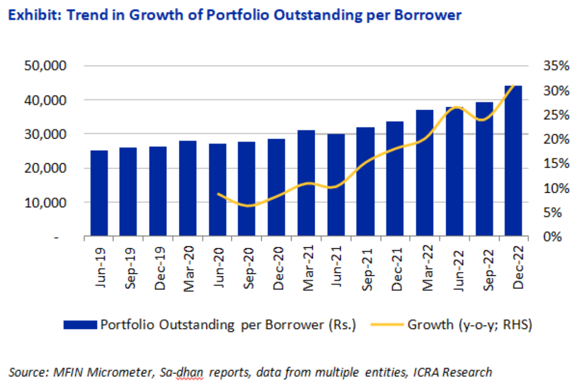


(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

Significant increase in portfolio outstanding per borrower

The borrower count has been increasing for NBFC-MFIs. However, the portfolio outstanding per borrower has been growing at a higher pace. In line with ICRA's expectations, the average ticket size/average loan outstanding per borrower has also started rising with higher eligibility under the new regulatory framework and the movement of borrowers to subsequent loan cycles.





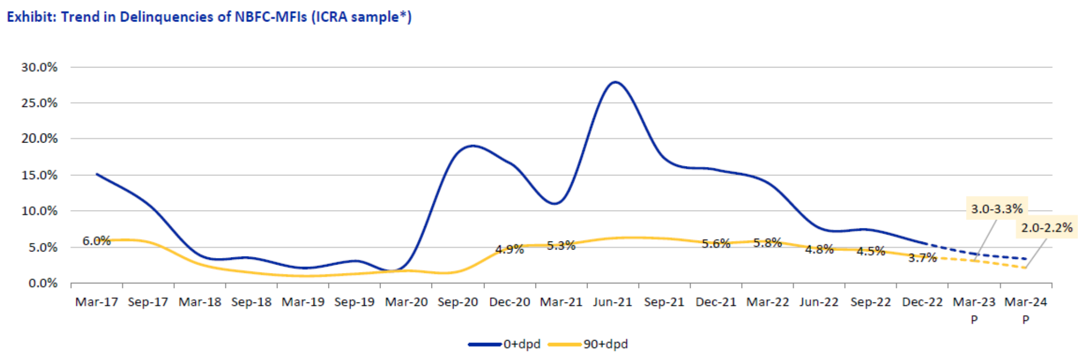
(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

Asset Quality

Improvement in asset quality; trend expected to continue

With the waning of the Covid-19-induced stress, delinquencies have been improving over the last few quarters. The 90+ dpd of the ICRA sample, which had peaked at 6.2% by the end of H1 FY2022, started declining from Q3 FY2022 and reduced to 3.7% as on December 31, 2022, driven by recoveries, write-offs, and the sale of delinquent portfolios to asset reconstruction companies (ARCs). ICRA expects delinquencies to decline further in FY2023, driven by write-offs and some recoveries by the entities. Thereafter, delinquencies are expected to improve to a steady state level of 2.0-2.2% by the end of FY 2024.

*Source: Data from various NBFC-MFIs, ICRA Research; *ICRA sample consists of 22-26 MFIs at different months, contributing 80-90%to the AUM of NBFC-MFIs at different dates*

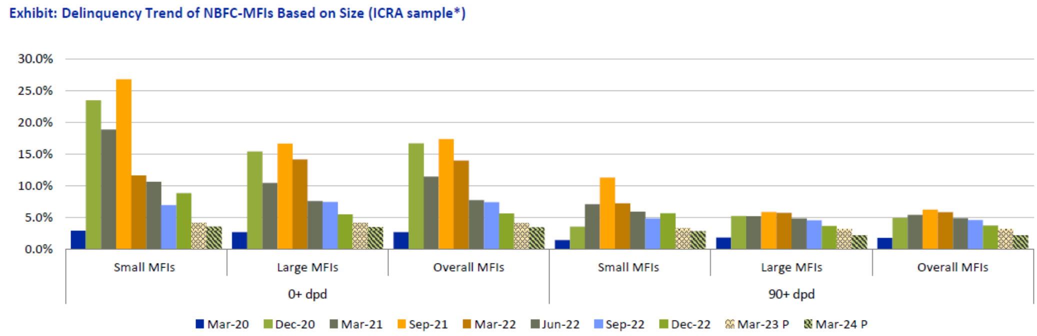


(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

Large MFIs witnessed lower delinquencies

Large MFIs (AUM > Rs. 1,500 crore) fared relatively better with lower delinquencies compared to smaller MFIs. Nevertheless, by September 30, 2022, the gap between the reported delinquencies of large and small MFIs had reduced as large MFIs saw increased slippages from the restructured portfolio, which limited the reduction in the overdue portfolio. For March 31, 2023, ICRA expects continued improvement in delinquencies and a slight reduction in the gap between the reported delinquencies of small and large MFIs.

*Source: Data from various NBFC-MFIs, ICRA Research; *ICRA sample consists of 22-26 MFIs at different months, contributing 80-90%to the AUM of NBFC-MFIs at different dates*

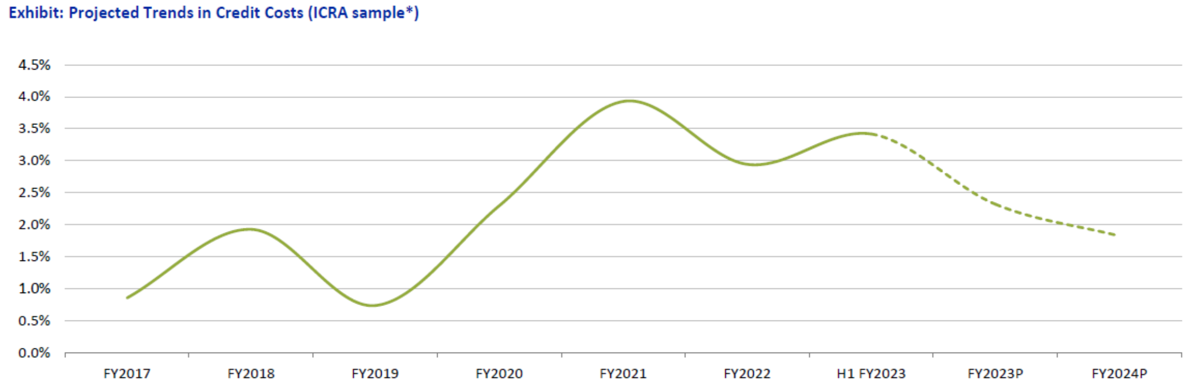


(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

Credit costs increased in H1 FY2023; moderation expected H2 FY2023 onwards

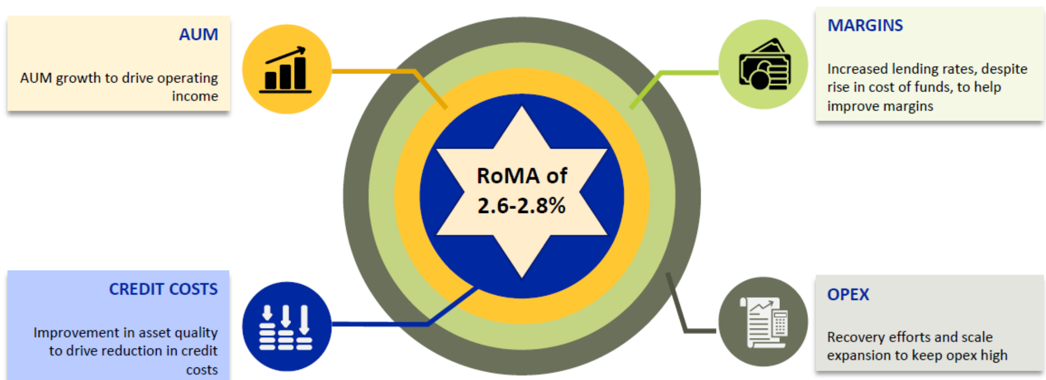
The industry witnessed a reduction in credit costs in FY2022, despite higher delinquencies, as the entities were carrying significant provisions from FY2021. In addition, portfolio restructuring helped them lower their provisioning requirements in FY2022. However, higher slippages from the restructured portfolio and write-offs from the delinquent accounts led to an increase in credit costs again in H1 FY2023. ICRA estimates that a large part of the credit cost has been absorbed by the entities. Hence, some reduction is expected in H2 FY2023 and FY2024.

*Source: Data from various NBFC-MFIs, ICRA Research; *ICRA sample consists of 22-26 MFIs at different months, contributing 80-90%to the AUM of NBFC-MFIs at different dates*



(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

Drivers for improvement in the earnings performance in FY2024



(ICRA Report titled "Industry set for profitability boost in FY2024, with growth remaining robust" dated May 2023)

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements", "Risk Factors", and "Financial Statements" on pages 18, 20, and 186, respectively.

Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results, as included in this Tranche II Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year. We publish our financial statements in Indian Rupees.

*Pursuant to the Scheme of Amalgamation, Madura Micro Finance Limited ("**MMFL**") merged with our Company on February 15, 2023. Due to the Scheme of Amalgamation having been made effective from the Appointed date i.e. April 1, 2020, the financial statements of our Company for the previous years have been restated. For details please see Note 45 to the Audited Standalone Financial Statements for Fiscal 2023 and Note 39 to the Audited Consolidated Financial Statements for Fiscal 2023, included in the section "Financial Information" on page 186.*

Accordingly, the figures reported for

1. *Fiscal 2022 on standalone and consolidated basis in the "Our Business- Statement of Key Operational and Financial Parameters based on consolidated basis" on page 129 below, are based on comparative previous year's numbers included in the Audited Standalone Financial Statements for Fiscal 2023 and Audited Consolidated Financial Statements for Fiscal 2023, respectively and are not comparable with Audited Standalone Financial Statements for Fiscal 2022 and Audited Consolidated Financial Statements for Fiscal 2022.*

2. *Fiscal 2021 on standalone and consolidated basis in the "Our Business- Statement of Key Operational and Financial Parameters based on standalone basis" on page 126 below, with respect to Balance sheet, are as per comparative figures of Audited Standalone Financial Statements for Fiscal 2023 and Audited Consolidated Financial Statements for Fiscal 2023, respectively and with respect to profit and loss and cash flows, are arrived at by combining the audited Ind AS financial statements as at and for the years ended March 31, 2021 of CAGL and audited Ind AS financial statements as at and for the years ended March 31, 2022 and March 31, 2021 of erstwhile MMFL and the accounting adjustments required as per the Scheme of Amalgamation and corresponding tax adjustment unless otherwise stated separately.*

In this section any reference to "Company", "we", "us" or "our" refers to CA Grameen and its subsidiary on a consolidated basis.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 18 and 20, respectively.

Overview

We are a leading Indian micro-finance institution headquartered in Bengaluru, focused on providing joint liability group based micro-loans primarily to women customers predominantly in rural areas in India. According to MFIN India, we were the largest NBFC-MFI in India in terms of gross loan portfolio as of March 2023. We offer a diverse suite of micro-loans that cater to critical needs of our customers throughout their life cycle and includes income generation, health care, emergency, education, festival celebration, home improvement, water, and sanitation. We also offer non-credit solutions like insurance and Aadhar enabled cash withdrawals to our customers. We believe that our customer-centric business model, wide range of product offerings, as well as our well-designed product delivery and collection systems, have enabled us to achieve high customer retention rates and low credit costs.

We focus predominantly on customers in Rural areas in India, who largely lack access to the formal banking sector and present a latent opportunity for offering micro-loans. Our products are built on a deep understanding of the requirements of our customers (especially customers from rural areas) developed over years and the flexibility of our products (in terms of ticket sizes, end-uses and repayment options) and the manner of their delivery, which we believe are key factors that differentiates us from our competitors and generates customer loyalty.

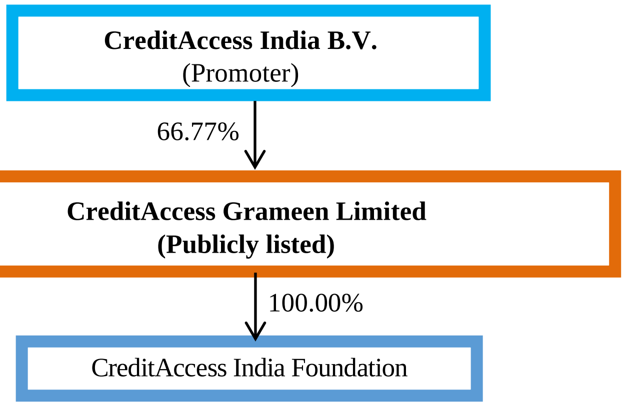
Our focus customer segment are women having an annual household income of up to ₹300,000 as per the new microfinance regulations announced by RBI in March 2022. We provide microfinance loans primarily under the joint liability group ("**JLG**") model. Further, we also provide individual retail finance loans to customers who fulfil certain eligibility criteria linked primarily to their credit history, income, and business position. We offer business loans (to expand the existing business, meet working capital requirements, establish a new enterprise, or purchase inventory or machinery), new two-wheeler loan, home improvement loan, and gold loan. We also offer larger business loans to customers, who have demonstrated high entrepreneurial capability, in their individual capacity against collateral (residential or commercial property).

We have followed a strategy of contiguous district-based expansion across regions. As of June 30, 2023, we have presence in 353 districts in the 14 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh and West Bengal) and one union territory (Puducherry) in India through 1,826 branches and 17,391 employees, serving an active customer base of 44.2 lakhs, as of June 30, 2023.

Our operations are well-diversified at the district level, with no single district contributing more than 3% to our Gross AUM as of June 30, 2023. Further, out of a total of 353 districts where we had branches as of June 30, 2023, around 93% of these districts individually represent less than 1% of our Gross AUM.

Our Promoter is CreditAccess India B.V., a multinational company specializing in MSE financing (micro and small enterprise financing) backed by institutional investors. Our Promoter has provided capital funding to us from time to time and provides us with access to potential fundraising opportunities in the debt capital markets including subscribing to compulsory convertible debentures in the Fiscal 2021.

Corporate Structure*



** based on equity shareholding as on June 30, 2023.*

Competitive Strengths

Customer-centric business model resulting in high customer retention

We consider our customers to be the most significant stakeholders at the core of our operations. As of June 30, 2023, we had served 44.2 lakh active customers. We believe that our customer-centric business model allows us to retain a high proportion of our existing customers and to attract new customers. Our Company had a high Active Customer Retention Rate of 88% as of March 31, 2023, computed excluding the customers from our erstwhile subsidiary MMFL which was merged with the Company on February 15, 2023. During the past three financial years, our focus has been on retaining our existing borrowers, whilst consciously adding new borrowers with a deep rural focus. We follow a multi-pronged approach to customer engagement, which comprises the following key elements:

- *Product offerings across the entire customer life-cycle* - We offer a diverse product suite that caters to the entire customer life cycle of our customers. We provide loans that are relevant for critical needs of our customers throughout their lifespan, which we believe helps in generating loyalty amongst our existing customers and in attracting new customers.

- *Tailor-made product offerings providing flexibility to customers* - Our products are built on a robust understanding of the requirements of our customers and the flexibility of our products, and the manner of their delivery differentiates us from our competitors. We set borrowing limits for each of our customers based on their loan cycles and the number of years for which they have been our customers and provide them the flexibility to borrow within the limit for several specified purposes, depending on their individual needs. All the members of a JLG are not required to take on the same type of loan or avail loans on the same disbursement day but may take different loans which are relevant to their respective needs with different borrowing limits, ticket size and flexible disbursement days. Further, we provide flexibility in repayment schedules and do not levy penalties for prepayment or late payment of loan instalments. Moreover, as the credit history of our customers improves with the passage of time by moving to subsequent loan cycles, we gradually increase their borrowing limits. This benefits us not only by increasing our revenue base, but also by optimizing our operating expenses, as we do not correspondingly have to incur costs associated with the acquisition of new customers. Our endeavor has been to reduce the dependence of our customers on traditional forms of unorganized lending for their requirements throughout the year. We believe that the flexibility of our products, in terms of ticket sizes, access to different disbursement and repayment options, closely resembles the nature of lending provided by the unorganized sector in Rural areas such as moneylenders, but typically at a much lower interest rate, with clearly specified terms and conditions and organized collection practices. Accordingly, our products present a more viable and safer borrowing option for our customers, as compared to lending sources from the unorganized sector. Our products are tailored to the needs of our customers, and we believe that the structure of our product offerings enables our customers to borrow less than the standard amounts, at multiple points of time during a year, thereby enabling our customers to tide over temporary cash flow mismatches at their end, on account of reasons such as seasonality and cyclicality. We believe this keeps our customers optimally leveraged.

- *Focus on customer engagement* – we follow a predominantly weekly collection model, which enables a high degree of customer engagement. Whilst the majority of our customers are on a weekly collection model, we also offer a fortnightly and four-weekly collection models based on their needs. We believe that the high customer engagement achieved via the frequency of our collections and weekly or fortnightly meetings, and interactions with our customers is an important factor in ensuring customer repayment and keeping our credit costs at optimal levels.

- *Regular feedback and timely grievance resolution* – as part of a continuous development process, we have implemented several methods to obtain feedback from our customers and further promote customer awareness. For example, a number of our customers are regularly contacted by our grievance department's tele-calling team to understand their awareness level and to obtain feedback on our processes and services. Our area managers also obtain feedback from our customers on a periodic basis on satisfaction levels relating to our products and services, Kendra meetings, loan disbursement and recovery process and staff engagement. We aim to provide timely resolution to the grievances that we receive through our grievance redressal cell.

As a further testament to the success of our customer-centric model, we were one of the first six institutions globally to be certified by Smart Campaign on Client Protection Principles in 2013. The Company has been certified with **"Gold Level"** under the new client protection certification methodology developed by Cerise and SPTF (Social Performance Task Force) in June 2022.

Deep penetration in Rural areas built through calibrated, contiguous district based expansion

We believe that our deep penetration in rural areas, built through a contiguous district-based expansion strategy, provides us with significant scale and diversification advantages. We carry out our contiguous expansion strategy methodically whereby we aim to expand to the next (typically adjoining) district and ensure deep penetration in a particular district within three years of commencement of operations in the district. We believe contiguous expansion provides significant scale and diversification advantages including familiarity of the loan officers with demographics of nearby districts which enable effective customer evaluation and better servicing. As of June 30, 2023, we have presence across 353 districts in the 14 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh, West Bengal) and one union territory (Puducherry) in India through 1,826 branches and 17,391 loan officers. Our operations are well-diversified at the district level, with no single district contributing more than 3% to our Gross AUM as of June 30, 2023. Further, out of a total of 353 districts where we had branches as of June 30, 2023, around 93% of these districts individually represent less than 1% of our Gross AUM.

A large segment of India's rural and semi-urban population is currently unserved and underserved by formal financial institutions. Considering the opportunity and lower competitive intensity in rural segments, we have increased our footprint in India's rural areas unlike other industry players over the years. Our presence compared to the MFI industry is listed out below:

		Fiscal 2023	Fiscal 2022	Fiscal 2021
Industry*	Rural (Portfolio)	61%	59%	58%
	Urban (Portfolio)	39%	41%	42%
Our Company#	Rural (customers)	85%	84%	85%
	Urban (customers)	15%	16%	15%

** Source: CRIF- Highmark*
 # Includes the portfolio of MMFL which merged into our Company w.e.f. February 15, 2023

We believe this has placed us in a strategic position to tap into the significant growth opportunities that exist in this financially underserved customer segment in Rural areas that are characterized by lower competition.

Robust customer selection and risk management policies resulting in healthy asset quality

We follow robust customer selection and risk management policies, which have resulted in healthy asset quality and lower credit costs. We follow a systematic methodology in the selection of new geographies where we open branches, which considers factors such as the historic PAR% of the proposed district, competition in the new geographies, potential for micro-lending and socio-economic risk evaluation (for e.g., the risk of communal riots or natural disasters). Further, once we open a branch in a new area and JLGs are formed, our customer due diligence procedures encompass three layers of checks: firstly, our loan officer performs the initial due diligence procedures, collects the KYC documents, and conducts group training typically for three days (two days in case the JLG cluster is more than six months old, already has two groups and new members are being inducted in to existing groups) which might be extended if loan officers deem it necessary (30 minutes each day) on topics such as our Company, products, processes, JLG, group discipline and group responsibilities; on the last day of the group training or at a later date, re-interview is done by the branch manager to determine the customers' level of understanding of the topics covered during the training; the branch manager then visits the homes of the new customers to verify the potential customers and obtain the consent of their family members for the customers becoming borrowers; lastly, the area manager revalidates the earlier two steps and performs the group recognition test, which is designed to assess the quality of the proposed group and to confirm that the group members meet all our specified criteria. For further details, see "*Our Business - Joint Liability Group Lending Business Processes – Customer Due Diligence Processes*" on page 135. Further, we do not provide incentives to our employees linked to disbursements or collections, which functions as a risk management tool. In addition, we follow a rotation policy whereby the loan officers are rotated bi-annually (customers serviced by the loan officer are rotated every year) and the branch managers are rotated tri-annually. We believe that our systematic geography and customer selection methodologies have resulted in healthy asset quality.

Our internal audit department is responsible for monitoring and evaluating internal controls and ensuring statutory and regulatory compliance. Internal audits are carried out at branches within every 60 days on an average depending on the prior grading of the respective branches, at processing centres on a monthly basis in the first year and later on a quarterly basis, at the head office and regional and divisional offices on a quarterly basis, and our information systems on an annual basis. Based on the extent of compliance and adherence to systems, policies and procedures, the audited branches are assigned compliance scores. While internal audit teams are responsible for branch and field audits, the back-end process audit at the head office is conducted through independent audit firms. The Audit Committee of our Board is also updated every quarter on significant internal audit observations, compliance with statutes, progress of risk management practices and the effectiveness of our control systems.

Our effective credit risk management is reflected in our portfolio quality indicators such as robust repayment rates, stable PAR and low rates of GNPA backed by adequate provisioning cover. We actively manage our portfolio over prior periods, which has ensured that no single district contributes more than 3% to our Gross AUM, as of June 30, 2023. The following table reflects our key portfolio quality indicators for three months period ended June 30, 2023 and for the last three Fiscals:

	For three months ended June 30, 2023	Year ended March 31,		
		2023	2022	2021
Gross Stage 3 (%)*	0.89%	1.21%	3.65%	4.45%
PAR 0 + (₹ in crore)	269.98	312.38	808.78	906.41
PAR 30 + (₹ in crore)	209.58	262.58	620.91	684.17
PAR 90 + (₹ in crore)	152.80	201.90	449.54	435.54

** Stage 3 gross carrying value/ total gross carrying value, excluding loans given to subsidiary*
Note: Figures disclosed in the above table are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

	For three months ended June 30, 2023	Year ended March 31,		
		2023	2022	2021
Repayment Rate	98.67%	97.36%	93.19%	92.21%

Strong track record of financial performance and operating efficiency

We have maintained a strong track record of financial performance and operating efficiency over the years through high rates of customer retention, geographical expansion, prudent risk management, improved staff productivity, enhancement of individual loan portfolio, lower credit cost and growth in customer base led by branch expansion. Further, we believe that our deep penetration in India's rural markets through our contiguous district-based expansion strategy has helped us achieve low operating expense ratios, contributing to economies of scale. Our operating expense to quarterly average gross AUM ratio was 4.52% for the three months ended June 30, 2023 and 4.74% for the year ended March 31, 2023.

Our Gross AUM was ₹21,031.27 crore as of March 31, 2023 and Gross AUM grew at a CAGR of 24% from ₹13,586.87 crore as of March 31, 2021. Disbursements across our financing products for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 were ₹18,539.01 crore, ₹15,446.33 crore and ₹11,011.21 crore, respectively. Net interest income (representing interest income plus income from direct assignment of outstanding loans reduced by finance costs) for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 was, ₹2,233.95 crore, ₹1,653.18 crore and ₹1,483.89 crore, respectively. Net interest margin, which is our net interest income reduced by loan processing fees, interest on deposits, income from direct assignment and plus finance lease charges, divided by quarterly average AUM (excluding sold portion of direct assignment), for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 was 11.60%, 10.89% and 10.73%, respectively.

Details of Net interest margin and details of Disbursement for three months period ended June 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

Particulars	For three months ended June 30, 2023	Financial Year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Net Interest Margin	13.02%	11.60%	10.89%	10.73%
Disbursement (₹ in crore)	4,770.69	18,539.01	15,466.33	11,011.21

Our Gross AUM was ₹21,814.38 crore as of June 30, 2023. Disbursements across our financing products for the three months period ended June 30, 2023 was ₹4,770.69 crore and our net interest income (representing interest income plus income from direct assignment of outstanding loans reduced by finance costs) for three months period ended June 30, 2023 was ₹763.25 crore. Our net interest margin, which is our net interest income reduced by loan processing fees, interest on deposits, income from direct assignment and plus finance lease charges, divided by quarterly average AUM (excluding sold portion of direct assignment), three months period ended June 30, 2023 was 4.52%.

Our Consolidated Profit after tax for the three months period ended June 30, 2023 was ₹348.46 crore and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 was ₹826.06 crores, ₹353.07 crores and ₹127.38 crore, respectively.

Professional management team with extensive domain experience

We are a professionally managed company, and our senior management team has an established track record in the financial services industry. Our top management team comprises of our Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Technology Officer, Chief Audit Officer, Chief Compliance Officer and Chief Information Security Officer, along with our Managing Director, Udaya Kumar Hebbar, all having an extensive experience in banking & finance industry and their experience has helped us to introduce what we believe to international best practices in risk management, compliance and governance.

Udaya Kumar Hebbar is a seasoned banker. He has served as head Commercial and Banking Operations at Barclays Bank PLC, Mumbai, and has also been associated with Corporation Bank and ICICI Bank for over 20 years. Our Chief Executive Officer, Ganesh Narayanan, has over 25 years of experience, spanning strategic planning and spearheading several key businesses in large financial institutions. Our Chief Financial Officer, Balkrishna Kamath, has over 30 years of experience in finance. He has held various leadership positions throughout his career from 1993 to 2020 across various industries including in one of the largest multinational conglomerate of India, Tata Group covering Indian and Global markets. He was associated with Tata Capital Housing Finance Limited prior to joining our Company. For further details in relation to our senior management, see "*Our Management*" on page 151.

Diversified sources of borrowings and effective asset-liability management

Our funding sources are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for funding. As an NBFC-MFI (Middle layer), we have access to diverse sources of liquidity, such as term loans from banks, financial institutions and non-banking financial companies, proceeds from loan assets assigned and securitized, cash credit, subordinated debt and proceeds from the issuance of NCDs to meet our funding requirements. This enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. As of March 31, 2023, we had total borrowings aggregating to ₹16,312.26 crore, comprising debt securities of ₹1,672.35 crore, borrowings (other than debt securities) of ₹14,562.00 crore, and subordinated liabilities of ₹77.91 crore. Further , as of June 30, 2023, we had total borrowings aggregating to ₹16,818.14 crore, comprising debt securities of ₹1,433.82 crore, borrowings (other than debt securities) of ₹15,304.67 crore, and subordinated liabilities of ₹79.66 crore.

The table below sets forth CA Grameen's credit ratings and CRISIL's M1C1 grading (an organization rating for a company) for CA Grameen for the past three years.

CA Grameen	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Credit Rating – Ind-Ra	AA- (Stable)	AA- (Stable)	A+ (Stable)	A+ (Stable)
Credit Rating – ICRA	AA- (Stable)	AA- (Stable)	A+ (Stable)	A+ (Stable)
Credit Rating – CRISIL	A+ (Positive)	A+ (Positive)	A+ (Stable)	A+ (Stable)
Comprehensive Microfinance Grading (Institutional Grading/ Code of Conduct Assessment (COCA)) – CRISIL	M1C1	M1C1	M1C1	M1C1

In addition, we also have in place effective asset liability management strategies. We primarily borrow on a relatively long-term basis while lending on a short term basis. This allows us to better meet the growing loan demands of our rapidly increasing customer base, even if external borrowings and funding sources face temporary realignment. Further, our Promoter has periodically funded our capital and provides us with access to potential fundraising opportunities in the debt capital markets.

The following table shows the asset-liability maturities for the periods indicated:

	As of June 30, 2023	As of March 31,		
		2023	2022	2021
Average Maturity of assets (in months)	19.23	18.96	15.72	15.61
Average Maturity of Liabilities (in months)	24.41	24.25	22.48	22.55

We believe that our diversified sources of borrowing, stable credit history, improved credit ratings and effective asset-liability management have allowed us to gain better access to cost-effective debt financing. As of March 31, 2023, our cash and cash equivalents, other bank balance and investment in government securities amounted to ₹1,890.41 crore, which we believe reflects our strong liquidity position.

Our Strategy

Continued focus on customers from Rural areas

According to rural and urban portfolio chart in CRIF-Highmark, 39% of microfinance industry portfolio is urban focused. However, we have maintained our focus on growing our rural customer base and intend to continue to do so going forward. Currently, a large segment of India's rural and semi-urban population is unserved and underserved by formal financial institutions, which provides us with the scope to expand in rural markets characterized by low competition. As of March 31, 2023, the percentage of CA Grameen's active customers located in rural areas was 85%. We believe that we will be able to strengthen our position by tapping into this underserved market and are well placed to capitalize on our strategy of having a deep penetration in the Indian rural markets. Further, our products are built on a deep understanding of the life cycle requirements of our Customers from Rural Areas, which we believe will help in the expansion of our rural customer base.

We intend to continue penetrating deeper in the states and districts where we currently have operations and also expand our footprint into other areas that have limited or no access to formal banking and finance channels. We will continue to evaluate the offerings at our branches and customize our products to the needs and demands of our customers in the region in which our branches are located and correspondingly update existing operations and resources in different territories.

Expansion of branch network

We have presence across 353 districts in the 14 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh and West Bengal) and one union territory (Puducherry) in India through 1,826 branches and 12,044 loan officers as of June 30, 2023. We intend to continue our strategy of contiguous expansion which will expand our district coverage in these states and also potentially into neighbouring states. We assess the below systematic criteria for the opening of branches in new districts/ regions:

- each branch generally operates within a radius of 10 kilometers in non-rural areas and 25 kilometers in rural areas;
- availability of infrastructure for the day-to-day operations of the branch;
- historic PAR% of the proposed district;
- growth potential based on current penetration;
- socio-economic risk evaluation in the proposed district;
- competition from other MFIs in the area; and
- product offerings of other MFIs operating in the area.

Our contiguous expansion strategy is premised on expanding to the next (typically adjacent) district and achieving a deep penetration in a district within three years of operations. We believe that our expansion strategy has resulted in mitigation of concentration risk and will continue to lead to mitigation of this risk going forward. Out of a total of 353 districts where we had branches as of June 30, 2023, approximately 93% of each of these districts individually represent less than 1% of our Gross AUM.

Leverage existing capabilities and strengths to diversify product and service offerings

We are an NBFC-MFI and intend to continue focusing on our operations in this space with our current business model which comprises extending loans to customers primarily in rural areas. To this end, we intend to capitalize on our current strengths including our geographical reach, customer base, robust risk management policies, strong financial track record and extensive domain expertise to diversify our product and service offerings.

Our diversification strategy is driven by the evolving needs of our customers, and we believe this is in line with the strength of our customer-centric business model and our expansion strategy, as it allows us to ensure that our customers have access to various differentiated products and services which they need quickly and efficiently.

In addition to micro-loans under JLG model, we also provide individual retail finance loans to customers who fulfil certain other eligibility criteria linked primarily to their credit history, income, and business position. We offer business loans (to expand the existing business, meet working capital requirements, establish a new enterprise, or purchase inventory or machinery), new two-wheeler loan, home improvement loan, and gold loan. We also offer larger business loans to graduated customers, who have demonstrated high entrepreneurial capability, in their individual capacity against collateral (residential or commercial property). Typically, these customers may be capable of obtaining such loans from other financial institutions or banks on the condition that they provide collateral, and with a higher turnaround time, than what we offer and at interest rates which are similar to or higher than our loans, which we believe makes our product offerings more attractive.

Focus on optimizing operating costs and improving operational efficiencies

Controlling our operating expenses is critical in determining our ability to offer loan products at reasonable rates to our customers and our profitability. Our deep penetration in India's rural markets through contiguous district-based expansion strategy has helped to achieve low operating expense ratios, contributing to economies of scale. Further, given our high customer retention rates, we expect to derive scale and cost benefits as there is no incremental sourcing cost for existing customers, and they are eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles, and they have been our customers for a number of years.

We continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies and ensure customer credit quality. We have implemented tablet based applications to make the loan application process convenient to our customers and streamline credit approval, administration and monitoring processes. For example, tablet based applications allow us to complete our Know Your Client procedures, perform instant credit bureau check, accept new loan applications, loan sanctions and manage collections process with improved efficiency while helping us to reduce overall paperwork. Our robust Core Banking System facilitates smooth and swift flow of information and data enabling us to control our cost of operations and provide improved services to our Customers. Additionally, we have centralized certain in-house back office processes through our Regional Processing Centres where customer data entry is carried out centrally. As of June 30, 2023, we have 21 Regional Processing Centres located in Raipur, Ranchi, Belgaum, Davanagere, Bengaluru, Indore, Kolhapur, Aurangabad, Nagpur, Bhubaneshwar, Erode, Thiruvannamalai, Madurai, Jabalpur, Patna, Cochin, Chennai, Jaipur, Varanasi and Vadodara. Our Regional Processing Centres have improved our operational efficiencies allowing our field staff to focus more on actual business workstreams and have significantly improved the data quality of our Customers' information. We believe that robust technology infrastructure will enable us to respond swiftly to market opportunities and challenges, improve the quality of services, scale-up our risk management capabilities, optimize our operating costs and improve our operational efficiency.

Foray into secured products complementary to our target customers

The new microfinance guidelines announced by the Reserve Bank of India in March 2022 allows upward revision of household income, risk-based pricing, and an increase in the limit of non-microfinance loans up to 25% of total assets. We have nurtured our vision of becoming the preferred financial partner of Indian low-income households lacking access to formal credit, enriching their lives by providing convenient and reliable solutions, matching their evolving needs. The new guidelines are complementary to gain pace towards achieving our vision and allows us with a lot of flexibility to design products based on customer suitability.

Our business strategy will be to acquire new-to-credit and early-stage customers through microfinance products, handhold graduated customers through individual unsecured business loans, followed by offering secured products complementary to the target segment to support their growing business needs and asset ownership aspirations. We shall leverage our deep rural presence and strong understanding of the customer's mindset and financing requirements to devise new products. We have already identified specific products complementary to our target customer segment which include small ticket business loans, affordable housing loans, gold loans, and two-wheeler loans. The full scale launch of new products shall be done only after extensive pilots. We have already made necessary technological investments to support these new products. We shall leverage our existing retail finance branch network and employee base to offer these products to our existing as well as new customers. As we grow our balance sheet over the coming years, asset diversification strategy will make us more resilient to macroeconomic cycles, improve our credit ratings and provide stable returns to our stakeholders.

Our Business Operations

Our operations are focused on low income households engaged in economic activity with limited access to formal financial institutions and our goal is to provide customers with financial support for all their financial needs throughout their life cycle. Our focus customer segment is women with an annual household income of ₹300,000. We offer collateral free loans to women, who are willing to borrow in a group and are agreeable to accept joint liability for the loans, and this forms the premise of our JLG model.

Accordingly, we provide loans to groups of women, with each group consisting of five to ten women. One to six of such groups together form a "**Kendra**" (or centre). The total number of women members in one Kendra can range from five to 30. Under the JLG model, loans are provided to individual customers, but the group guarantees the repayment of loans given to individual members of the group.

We believe that the JLG model is advantageous to both us and our customers. Through this model, our customers, who typically do not have collateral to take up loans, are able to gain access to credit. The JLG model also provides built-in support for our customers, in both good and bad financial circumstances. Delivering financial services through groups also benefits us, as it allows us to have better operational control and efficiency, lower transaction costs and increase the number of customers. For our income generation loans, we presently focus on areas such as agriculture, allied agriculture activities, retail trade, services, manufacturing under small sectors, water and sanitation, other activities under priority sector and emergent needs. We review and revise these lending areas in relation to our income generation loans and revise them from time to time.

While we have traditionally provided loans under the JLG model, we also offer individual retail finance loans for customers who have been our customers for at least two years and fulfil certain other eligibility criteria linked primarily to their credit history with us, income, and business position, are more entrepreneurial, and have graduated from the JLG model.

Our Branch Network

As on June 30, 2023, we had presence in 14 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh, and West Bengal) and one union territory (Puducherry) in India through 1,826 branches.

The following table sets forth the number of our branches in each state/ union territory as of the dates indicated:

State/ Union Territory	As of			
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Karnataka	319	311	308	298
Maharashtra	306	301	285	279
Madhya Pradesh	148	148	140	120
Tamil Nadu	383	378	382	381
Chhattisgarh	48	48	46	41
Odisha	80	80	80	71
Kerala	53	53	56	50
Goa	2	2	2	2
Bihar	145	138	96	61
Jharkhand	45	45	40	30
Gujarat	68	68	51	23
Rajasthan	100	93	65	30
Uttar Pradesh	80	75	55	20
West Bengal	43	40	23	12
Puducherry	6	6	6	6
Total	**1,826**	**1,786**	**1,635**	**1,424**

The following table sets forth our Active customers in each state/ union territory as of the dates indicated:

State/ Union Territory	As of			
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Karnataka	11,52,299	11,21,392	10,77,250	11,65,415
Maharashtra	8,72,781	8,49,969	7,91,644	8,41,370
Madhya Pradesh	3,36,556	3,25,666	3,12,474	3,25,060
Tamil Nadu	9,17,022	9,20,211	9,11,489	9,96,722
Chhattisgarh	1,08,934	1,01,870	83,297	89,670
Odisha	1,73,531	1,67,934	1,49,699	1,39,619
Kerala	1,26,470	1,21,665	99,769	98,408
Goa	3,136	2,930	1,684	832
Bihar	2,62,684	2,34,518	1,58,135	1,30,165
Jharkhand	1,04,599	97,573	70,224	37,559
Gujarat	74,154	66,586	37,448	19,673
Rajasthan	1,08,484	96,791	51,256	21,286
Uttar Pradesh	1,23,298	1,07,713	45,376	14,803
West Bengal	47,489	39,015	18,936	11,857
Puducherry	11,719	10,436	15,043	19,180
Total	**44,23,156**	**42,64,269**	**38,23,724**	**39,11,619**

The following table sets forth our state/ union territory -wise portfolio distribution (i.e., the ratio of our AUM from the respective state to our Gross AUM, expressed as a percentage) as of the dates indicated:

State/Union Territory	As of			
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Karnataka	7,204.30	6,977.38	5,963.89	5,194.23
Maharashtra	4,484.39	4,389.62	3,568.39	3,186.31
Madhya Pradesh	1,419.99	1,410.35	1,223.78	1,113.25
Tamil Nadu	4,331.28	4,249.82	3,458.06	2,561.57
Chhattisgarh	454.41	434.10	296.20	268.29

State/Union Territory	As of			
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Odisha	642.52	625.47	502.59	338.04
Kerala	565.27	524.21	319.96	243.97
Goa	12.36	11.94	6.68	2.19
Bihar	1,058.15	934.34	513.77	315.64
Jharkhand	379.47	359.37	226.74	120.66
Gujarat	243.96	220.76	107.11	60.06
Rajasthan	333.24	307.17	160.52	66.01
Uttar Pradesh	476.42	415.90	157.93	44.14
West Bengal	158.63	122.06	51.87	36.31
Puducherry	49.99	48.79	41.86	36.21
Total	**21,814.38**	**21,031.27**	**16,599.35**	**13,586.87**

STATEMENT OF KEY OPERATIONAL AND FINANCIAL PARAMETERS

STATEMENT OF KEY OPERATIONAL AND FINANCIAL PARAMETERS BASED ON STANDALONE BASIS

(₹ in crore)

Particulars	Fiscal 2023*	Fiscal 2022*	Fiscal 2021#
BALANCE SHEET			
Assets			
Property, Plant and Equipment (Note 1)	32.06	31.78	24.15
Financial Assets (Note 2)	21,115.50	16,645.71	14,337.66
Non-financial Assets excluding property, plant and equipment (Note 3)	710.50	804.23	793.31
Total Assets	**21,858.06**	**17,481.72**	**15,155.12**
Liabilities			
Financial Liabilities			
Derivative financial instruments	-	1.66	-
Trade Payables (Note 4)	44.05	34.78	22.05
Other Payable (Note 5)	259.65	224.03	179.65
Debt Securities	1,672.35	1,418.10	1,674.95
Borrowings (other than Debt Securities)	14,562.00	11,424.85	9,163.68
Subordinated liabilities	77.91	77.74	102.70
Other financial liabilities	78.90	87.44	82.94
Non-Financial Liabilities			
Current tax liabilities (net)	0.56	1.46	0.99
Provisions	36.61	31.24	25.53
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	19.09	13.51	11.37
Equity (Equity Share Capital and Other Equity) (Note 6)	5,106.94	4,166.91	3,891.26
Total Liabilities and Equity	**21,858.06**	**17,481.72**	**15,155.12**
PROFIT AND LOSS			
Revenue from operations	3,545.12	2,742.75	2461.00
Other Income	5.64	7.31	5.07
Total Income	**3,550.76**	**2,750.06**	**2466.07**
Total Expense	**2,445.37**	**2,269.26**	**2,285.69**
Profit after tax for the year [9]	826.03	353.08	127.36
Other Comprehensive income	8.41	-85.36	32.26
Total Comprehensive Income	834.44	267.72	159.62

(₹ in crore)

Particulars	Fiscal 2023*	Fiscal 2022*	Fiscal 2021#
Earnings per equity share (Basic)	52.04	22.29	8.37
Earnings per equity share (Diluted)	51.81	22.20	8.31
Cash Flow			
Net cash from / used in(-) operating activities	(3,289.76)	(2,713.47)	(454.66)
Net cash from / used in(-) investing activities	(314.42)	(32.95)	23.53
Net cash from / used in (-)financing activities	3,365.07	1,966.89	2,146.36
Net increase/decrease(-) in cash and cash equivalents	(239.11)	(779.53)	1,715.23
Cash and cash equivalents as per Cash Flow Statement as at end of the Year	1,341.40	1,580.51	2,360.04
Additional Information			
Net worth [1] (Note 7)	5,047.74	4,206.79	3,845.25
Cash and cash equivalents	1,341.40	1,580.51	2,360.04
Loans [2] (Note 8)	19,391.19	15,299.19	12,343.11
Loans (Principal Amount) [3] (Note 8)	19,497.76	15,409.85	12,324.03
Total Debts to Total Assets [4] (Note 10)	74.63%	73.91%	69.16%
Interest Income	3,327.13	2,567.26	2,290.03
Interest Expense [5]	1,212.88	984.14	928.72
Impairment on Financial Instruments	401.02	596.74	771.56
Bad Debts to Loans [6] (Note 8)	3.03%	4.48%	3.74%
% Stage 3 Loans on Loans (Principal Amount) [7] (Note 8)	1.21%	3.63%	4.45%
% Net Stage 3 Loans on Loans (Principal Amount) [8] (Note 8)	0.34%	1.28%	1.37%
Tier I Capital Adequacy Ratio (%) (Note 9) *(Fiscal Mar-22 and Mar-21 figures pertains to pre-merger standalone Creditaccess Grameen Limited)*	22.69%	25.87%	30.50%
Tier II Capital Adequacy Ratio (%) (Note 9) *(Fiscal Mar-22 and Mar-21 figures pertains to pre-merger standalone Creditaccess Grameen Limited)*	0.89%	0.67%	1.25%

***** *Fiscal 2023 is as per audited standalone financial statements of Financial Year 2023 and Fiscal 2022 numbers are as per comparative figures of Fiscal 2022 as appearing in the audited standalone financial statements of Financial Year 2023 unless otherwise stated separately.*

 # Fiscal 2021, with respect to Balance sheet, numbers are as per comparative figures of Audited Standalone Financial Statements for Fiscal 2023 and with respect to profit and loss and cash flows, details are arrived at by combining the audited Ind AS financial statements as at and for the years ended March 31, 2021 of the CreditAccess Grameen Limited (the "Company"/"CAGL") and March 31, 2021 of Madura Micro Finance Limited ('MMFL') and the accounting adjustments required as per the Scheme of Amalgamation between erstwhile MMFL being the transferor company and CAGL, being the transferee company and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 (the "Scheme") and corresponding tax adjustment unless otherwise stated separately.

1. *"Net worth" refers to the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013*
2. *Gross carrying value*
3. *On-Balance sheet Principal outstanding.*
4. *Total Debts to Total Assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets.*
5. *Only Finance costs*
6. *Bad Debts to Loans = Principal amount of loans written off during the year / Gross Carrying value of loans as at the end of the year*
7. *% Stage 3 Loans on Loans (Principal Amount) = On-Balance sheet principal amount of Stage 3 Loans / Loans (Principal Amount)*
8. % Net Stage 3 Loans on Loans (Principal Amount) = (*On-Balance sheet principal amount of Stage 3 Loans less Impairment loss allowance or ECL allowance carried against Stage 3 loans) / Loans (Principal Amount)*
9. *Profit after tax for the year refers to profit for the year.*

Note 1:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Gross Block of Property Plant and equipment	88.56	76.03	57.16
Accumulated Depreciation	(56.50)	(44.25)	(33.01)
Property Plant and equipment	**32.06**	**31.78**	**24.15**

Note 2:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cash and cash equivalents	1,341.40	1,580.51	2,360.04
Bank balance other than cash and cash equivalents	95.01	180.84	124.29
Loans	19,043.34	14,765.33	11,720.48
Investments	454.53	0.55	0.54
Derivative financial instruments	31.63	-	-
Other financial assets	149.59	118.48	132.31
Financial assets	**21,115.50**	**16,645.71**	**14,337.66**

Note 3:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Current tax assets (net)	39.56	38.47	38.06
Deferred tax assets (net)	80.93	155.39	134.70
Right of use assets	64.75	74.76	67.50
Goodwill	375.68	375.68	375.68
Intangible assets	126.52	146.65	163.54
Intangible assets under development	3.94	3.07	0.62
Other non-financial assets	19.12	10.21	13.21
Non-financial assets	**710.50**	**804.23**	**793.31**

Note 4:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
(i) Total outstanding dues of micro enterprises and small enterprises	0.10	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	43.95	34.78	22.05
Trade Payables	**44.05**	**34.78**	**22.05**

Note 5:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	259.65	224.03	179.65
Other Payables	**259.65**	**224.03**	**179.65**

Note 6:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity share capital	158.91	155.87	155.58
Other equity	4,948.03	4,011.04	3,735.68
Equity	**5,106.94**	**4,166.91**	**3,891.26**

Note 7:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity share capital	158.91	155.87	155.58
Statutory reserve	535.73	370.52	294.09
Securities premium	2,478.59	2,268.12	2,263.13
Share options outstanding account	19.41	11.72	8.52
Retained earnings	1,855.10	1,194.73	917.55
Shares to be issued on account of Merger	-	205.83	206.38
Net Worth	**5,047.74**	**4,206.79**	**3,845.25**

Note 8:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Loans (A) #	19,391.19	15,299.19	12,343.11
Loans (Principal Amount) (B)	19,497.76	15,409.85	12,324.03
Stage 3 Loans (C)	236.39	558.65	548.69
% Stage 3 Loans on Loans (Principal Amount) (D)=(C)/(B)	1.21%	3.63%	4.45%
Bad debts (E) ^	586.97	685.54	461.07
Bad Debts to Loans (F) = (E)/(A)	3.03%	4.48%	3.74%
Gross Stage 3 Impairment loss or ECL allowance (G)	169.55	361.30	380.11
Net stage 3 (Stage 3 Loans less Gross Stage 3 ECL allowance) (H) = [(C) – (G)]	66.84	197.35	168.58
% Net Stage 3 Loans on Loans (Principal Amount) (I) = (H)/(B)	0.34%	1.28%	1.37%

^ Bad debts = Write off for the period.
 # excluding Loan to subsidiary.

Note 9:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
CRAR – Tier I capital	22.69%	25.87% *	30.50% *
CRAR – Tier II capital	0.89%	0.67% *	1.25% *
CRAR (%)	23.58%	26.54% *	31.75% *

** as reported in respective years standalone financials statements.*

Note 10:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Debt securities	1,672.35	1,418.10	1,674.95
Borrowings (other than debt securities)	14,562.00	11,424.85	9,163.68
Subordinated liabilities	77.91	77.74	102.70
Total (A)	**16,312.26**	**12,920.69**	**10,941.33**
Total assets (B)	**21,858.06**	**17,481.72**	**15,155.12**
Total Debts/ Total assets (A/B)	**74.63%**	**73.91%**	**72.20%**

STATEMENT OF KEY OPERATIONAL AND FINANCIAL PARAMETERS BASED ON CONSOLIDATED BASIS

(₹ in crore)

Particulars	Fiscal 2023*	Fiscal 2022*	Fiscal 2021 #
BALANCE SHEET			
Assets			
Property, Plant and Equipment (Note 1)	32.08	31.80	24.15
Financial Assets (Note 2)	21,115.51	16,645.74	14,337.71
Non-financial Assets excluding property, plant and equipment (Note 3)	710.51	804.41	793.26
Total Assets	**21,858.10**	**17,481.95**	**15,155.12**
Liabilities			
Financial Liabilities			
Derivative financial instruments	-	1.66	-
Trade Payables (Note 4)	44.05	34.78	22.05
Other Payable (Note 5)	259.65	224.24	179.64
Debt Securities	1,672.35	1,418.10	1,674.95
Borrowings (other than Debt Securities)	14,562.00	11,424.85	9,163.68
Deposits	-	-	-
Subordinated liabilities	77.91	77.74	102.70
Lease liabilities	78.51	85.00	75.34
Other financial liabilities [7]	0.37	2.44	7.60
Non-Financial Liabilities			
Current tax liabilities (net)	0.56	1.46	0.99
Provisions	36.63	31.25	25.53
Deferred tax liabilities (net)	-	-	-

(₹ in crore)

Particulars	Fiscal 2023*	Fiscal 2022*	Fiscal 2021 #
Other non-financial liabilities	19.10	13.52	11.37
Equity (Equity Share Capital and Other Equity) (Note 6)	5,106.97	4,166.91	3891.27
Non-controlling interest	-	-	
Total Liabilities and Equity	**21,858.10**	**17,481.95**	**15,155.12**
PROFIT AND LOSS			
Revenue from operations	3,545.12	2,742.82	2,461.00
Other Income	5.67	7.31	5.07
Total Income	**3,550.79**	**2,750.13**	**2,466.07**
Total Expenses	**2,445.37**	**2,269.34**	**2,285.67**
Profit after tax for the year [6]	826.06	353.07	127.38
Other Comprehensive Income	8.41	-85.36	32.26
Total Comprehensive Income	834.47	267.71	159.64
Earnings per equity share (Basic)	52.04	22.29	8.37
Earnings per equity share (Diluted)	51.82	22.20	8.31
Cash Flow			
Net cash from / used in(-) operating activities	(3,289.78)	(2,713.47)	(454.67)
Net cash from / used in(-) investing activities	(314.43)	(32.96)	23.53
Net cash from / used in (-)financing activities	3,365.07	1,966.89	2,146.36
Net increase/decrease(-) in cash and cash equivalents	(239.14)	(779.54)	1,715.22
Cash and cash equivalents as per Cash Flow Statement as at end of Year	1,341.41	1,580.55	2,360.09
Additional Information			
Net worth [1] (Note 7)	5,047.77	4,206.79	3,845.26
Cash and cash equivalents	1,341.41	1,580.55	2,360.09
Loans [2] (Note 8)	19,391.19	15,299.19	12,343.11
Total Debts to Total Assets [3] (Note 9)	74.63%	73.91%	72.20%
Interest Income	3,327.13	2,567.33	2,290.03
Interest Expense [4]	1,212.88	984.14	928.72
Impairment on Financial Instruments	401.02	596.74	771.36
Bad Debts to Loans [5] (Note 8)	3.03%	4.48%	3.74%

***** *Fiscal 2023 is as per audited consolidated financial statements of Fiscal 2023 and Fiscal 2022 numbers are as per comparative figures of Fiscal 2022 as appearing in the audited consolidated financial statements of Fiscal 2023 unless otherwise stated separately.*

[#] *Fiscal 2021, with respect to Balance sheet, numbers are as per comparative figures of Audited Consolidated Financial Statements for Fiscal 2023 and with respect to profit and loss and cash flows, details are arrived at by combining the audited Ind AS financial statements as at and for the years ended March 31, 2021 of the CreditAccess Grameen Limited (the "Company"/"CAGL") and March 31, 2021 of Madura Micro Finance Limited ('MMFL') and the accounting adjustments required as per the Scheme of Amalgamation between erstwhile MMFL being the transferor company and CAGL, being the transferee company and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 (the "Scheme") and corresponding tax adjustment unless otherwise stated separately.*

1. *"Net worth" refers to the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013*
2. *Gross carrying value*
3. *Total Debts to Total Assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets.*
4. *Only Finance costs*
5. *Bad Debts to Loans = Principal amount of loans written off during the year / Gross Carrying value of loans as at the end of the year*
6. *Profit after tax for the year refers to profit for the year.*
7. *Excluding lease liabilities*

Note 1:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Gross Block of Property Plant and equipment	88.58	76.06	57.16
Accumulated Depreciation	(56.50)	(44.26)	(33.01)
Property Plant and equipment	**32.08**	**31.80**	**24.15**

Note 2:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cash and cash equivalents	1,341.41	1,580.55	2,360.09
Bank balance other than cash and cash equivalents	95.02	180.84	124.29
Loans	19,043.34	14,765.33	11,720.48
Investments	454.52	0.54	0.54
Derivative financial instruments	31.63	-	-
Other financial assets	149.59	118.48	132.31
Financial assets	**21,115.51**	**16,645.74**	**14,337.71**

Note 3:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Current tax assets (net)	39.56	38.45	38.01
Deferred tax assets (net)	80.93	155.39	134.70
Right of use assets	64.75	74.76	67.50
Goodwill	375.68	375.68	375.68
Intangible assets	126.52	146.65	163.54
Intangible assets under development	3.94	3.07	0.62
Other non-financial assets	19.13	10.41	13.21
Non-financial assets	**710.51**	**804.41**	**793.26**

Note 4:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
(i) Total outstanding dues of micro enterprises and small enterprises	0.10	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	43.95	34.78	22.05
Trade Payables	**44.05**	**34.78**	**22.05**

Note 5:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	259.65	224.24	179.64
Other Payables	**259.65**	**224.24**	**179.64**

Note 6:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity share capital	158.91	155.87	155.58
Other equity	4,948.06	4,011.04	3,735.69
Equity	**5,106.97**	**4,166.91**	**3,891.28**

Note 7:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity share capital	158.91	155.87	155.58
Statutory reserve	535.73	370.52	294.09
Securities premium	2,478.59	2,268.12	2,263.13
Share options outstanding account	19.41	11.72	8.52
Retained earnings	1,855.13	1,194.73	917.56
Shares to be issued on account of Merger	-	205.83	206.38

Net Worth	**5,047.77**	**4,206.79**	**3,845.26**

Note 8:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Loans (A)	19,391.19	15,299.19	12,343.11
Bad debts (B)	586.97	685.54	461.07
Bad Debts to Loans (C) = (B)/(A)	3.03%	4.48%	3.74%

Note 9:

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Debt securities	1,672.35	1,418.10	1,674.95
Borrowings (other than debt securities)	14,562.00	11,424.85	9,163.68
Subordinated liabilities	77.91	77.74	102.70
Total (A)	**16,312.26**	**12,920.69**	**10,941.33**
Total assets (B)	**21,858.10**	**17,481.95**	**15,155.12**
Total Debts/ Total assets (A/B)	**74.63%**	**73.91%**	**72.20%**

OUR KEY OPERATING AND FINANCIAL METRICS FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2023 ARE AS FOLLOWS

(₹ in crore)

Particulars	Period ending June 30, 2023	
	Standalone	Consolidated
PROFIT AND LOSS		
Revenue from operations	1,170.03	1,170.03
Other Income	0.69	0.69
Total Income	1,170.72	1,170.72
Total Expense	**705.52**	**703.35**
Profit after tax for the period [1]	346.29	348.46
Other Comprehensive income	(11.24)	(11.24)
Total Comprehensive Income	335.05	337.22
Earnings per equity share (Basic)	21.79	21.93
Earnings per equity share (Diluted)	21.67	21.80
Additional Information		
Net worth [3] (Note : 1)	5,396.11	5,398.29
Interest Income	1,105.17	1,105.17
Interest Expense [2]	384.92	384.92
Impairment on Financial Instruments	76.40	76.40
Tier I Capital Adequacy Ratio (%) (Note 2)	23.53%	23.53%*
Tier II Capital Adequacy Ratio (%) (Note 2)	0.92%	0.92%*

1. *Profit after tax for the year refers to profit for the period.*
2. *Only Finance costs*
3. *Networth is calculated as defined in section 2(57) of Companies Act 2013*

Note : 1

(₹ in crore)

Particulars	Period ending June 30, 2023	
	Standalone	Consolidated
Equity share capital	158.93	158.93
Statutory reserve	535.71	535.71
Securities premium	2,479.77	2,479.77
Share options outstanding account	23.00	23.00
Retained earnings	2,198.70	2,200.88
Net Worth	**5,396.11**	**5,398.29**

Note : 2

Particulars	Period ending June 30, 2023
CRAR – Tier I capital	23.53%
CRAR – Tier II capital	0.92%
CRAR (%)	24.45%

Our Products

Our wide range of financial products are designed according to the various life cycle needs of our customers.

Our financial products, currently offered to customers, are broadly classified into group lending, retail finance and distribution products as shown in the table below:

Product Category	Name of Loan / Product	Maximum Amount of Loan/ Credit Limit/ Insurance Coverage	Interest Rate (%) (as at June 30, 2023)	Tenure (Months/ weeks)
Group Lending Products				
Income Generation Products	IGL-Pragati	30,000	21% - 22.75%	eks
	IGL-Pragati plus	1,10,000	21% - 22.75%	104/156 weeks
	Pragati Supplement Loan	50,000	21% - 22.75%	52/104 weeks
Family Welfare Products	Festival Loan	5,000	20% - 21.75%	24 weeks
	Medical Loan	5,000	20% - 21.75%	24 weeks
	Education Loan	20,000	20% - 21.75%	52 weeks
	Livelihood Improvement Loan	5,000	20% - 21.75%	52 weeks
	Water Loan	5,000	19.50% - 21.25%	52 weeks
	Grameen Griha Sudhaar Loan	20,000	20% - 21.75%	104 weeks
	Sanitation Loan	15,000	19.50% - 21.25%	104 weeks
Emergency Loan Product	Emergency Loan	1,000	21.25%	11/12 weeks
Retail Finance Products				
	Grameen Unnati Loan	2,00,000	23.00%	12/24/36 months
	Grameen Unnati Supplementary Loan	50,000	23.00%	12/24 months
	Grameen Vikas Loan	20,00,000	18.50% - 22.50%	upto 180 months
	Grameen Gruha Vikas Loan	10,00,000	20.50%	120 months
	Grameen Two Wheeler Loan	1,00,000	22.50%	24/36 months
	Grameen Swarna Loan	3,00,000	16.00% - 18.00%	3 - 12 months
Distribution Products				
Micro Insurance Products	Individual Term Life Product	2,00,000	N/A	N/A
	Joint Term Life Product	1,50,000	N/A	N/A
	Grameen Suraksha (Hospicash)	30,000	N/A	12 months
Insurance Products	Joint Credit Life	20,00,000	N/A	N/A
	Grameen Suraksha (Two-Wheeler Insurance)	upto vehicle IDV (Insured declared value)	N/A	12 months
Pension Products	Aggregator for National Pension Scheme of the GOI	N/A	N/A	N/A

Set forth below are certain details in relation to our key products:

A. Group Lending Products

(i) *Income Generation Loans*

Income Generation Loans are offered to customers to establish a new enterprise or expand an existing business. For instance, loans may be disbursed to set up a grocery store, buy cattle, install new machinery or purchase raw materials. The loans also meet the additional working capital requirements of a customer's business. We provide three categories of income generation loans to our customers:

- *IGL-Pragati*: This is the flagship product offered under the JLG model and is given to customers for income generation activity;

- *IGL-Pragati Plus*: This product is given to customers who require a greater amount of loan for income generation activity and is usually given to existing customers who have completed a few loan cycles, or new customers who have had prior MFI experience; and

- *Pragati Supplement Loan*: This product is given to IGL-Pragati or IGL-Pragati Plus customers to meet their additional credit needs and is usually given for the purchase of inventory or any assets related to their business.

The following table sets forth details of our Gross AUM for our income generation loans, for the periods indicated:

(₹ in crores)

Product Category	For three months ended June 30, 2023	Year ended March 31,		
		2023	2022	2021
Gross AUM	20,670.23	20,089.61	15,948.99	12,838.29

(ii) Family Welfare Loans

Family Welfare Loans support all the activities of our customers that help them in improving their quality of life. These loans fulfil needs such as educational needs of their children, medical expenses and specific occasion expenses such as festivals and livelihood improvement expenses, which may include purchase of liquefied petroleum gas connections for cooking purposes.

The following table sets forth details of our Gross AUM for our family welfare loans for the periods indicated:

(₹ in crores)

Product Category	For three months ended June 30, 2023	Year ended March 31,		
		2023	2022	2021
Gross AUM	148.20	66.83	37.67	23.21

(iii) Home Improvement Loans

Home Improvement Loans enable our customers to avail themselves of water connections, construct toilets, extend and improve and do minor repairs to their existing houses. The loans may be used to repair or replace a roof, wall, floor or door, for monsoon proofing or to add rooms.

The following table sets forth details of our Gross AUM for our home improvement loans, for the periods indicated:

(₹ in crores)

Product Category	For three months ended June 30, 2023	Year ended March 31,		
		2023	2022	2021
Gross AUM	778.29	697.78	414.39	310.83

(iv) Emergency Loans

Emergency Loans are short-term loans that we provide to our customers to help them address short-term cash flow constraints, such as emergency medical expenses, electricity bill payments and purchases of rations. Timely financial assistance prevents customers from resorting to other informal and expensive sources of money and improves customer retention.

The following table sets forth details of our Gross AUM for our emergency loans, for the periods indicated:

(₹ in crores)

Product Category	For three months ended June 30, 2023	Year ended March 31,		
		2023	2022	2021
Gross AUM	6.46	8.67	2.76	1.73

B. Retail Finance Products

(i) Individual Retail Finance Loans

We provide individual retail finance loans to customers who fulfil certain other eligibility criteria linked primarily to their credit history, income, and business position. We offer business loans (to expand the existing business, meet working capital requirements, establish a new enterprise, or purchase inventory or machinery), new two-wheeler loan, home improvement loan, and gold loan. We also offer larger business loans to graduated customers, who have demonstrated high entrepreneurial capability, in their individual capacity against collateral (residential or commercial property).

We currently provide seven categories of individual retail finance loans to our customers:

- *Grameen Unnati Loan*: This is a business loan envisaged for graduated group lending customers who currently have running business. These loans are given to a member in her individual capacity and the group guarantee would not be applicable for these loans. This loan is meant to meet the customer's business funding requirements such as capital investment for purchase of inventory, machinery, or working capital for business expansion;

- *Grameen Unnati Supplementary Loan:* This loan is given as an additional short term credit facility to Grameen Unnati customers for their business requirements;

- *Grameen Vikas Loan*: This is a high-ticket mortgage backed business loan, given to customers who have high credit requirement for business expansion, inventory purchase and closure of existing borrowings of the customers/ co-applicants;

- *Grameen Gruha Vikas Loan*: This loan is given for the purpose of completion of construction and for home improvement, extension, repair and renovation;

- Grameen Two Wheeler Loan: This loan is given for the purchase of new two-wheelers which will provide support to customer's income generating activity and also fulfil basic travel needs of the family;

- *Grameen Swarna Loan*: This loan is primarily offered to existing customers, to meet their short term requirements including emergency needs, consumption, and business or working capital, where in the loan is backed by customer jewellery.

The following table sets forth details of our Gross AUM for our individual retail finance loans, for the periods indicated:

(₹ in crores)

Product Category	For three months ended June 30, 2023	Year ended March 31,		
		2023	**2021**	**2023**
Gross AUM	211.20	168.39	195.55	412.81

C. Distribution Products

(i) Insurance and micro-insurance

We have tied up with insurance providers and are acting as master policy holders to cover our customers and their spouses or co-borrowers. The insurance coverage ranges from ₹5,000 to ₹20,00,000, depending on the loan amount. The policies include individual term life, joint term life and joint credit life (based on product policy).

We are piloting Grameen Suraksha (Hospicash) scheme exclusively designed for our members and their spouses where they can claim a daily fixed amount to cover for their income losses arising due to inability to work in the event of hospitalization. We are also piloting Grameen Suraksha (two-wheeler insurance) for our existing customers.

(ii) Pension

We are an aggregator of the National Pension Scheme ("**NPS**") of the Government of India, providing pension for our customers and collecting contributions from their doorstep. The client has to contribute a minimum of ₹1,000 and a maximum of ₹12,000 in a year to become eligible for the Swavalamban benefit of ₹1,000 from the Government of India.

A. Joint Liability Group Lending Business Processes

Set forth below are details of the joint liability processes followed by CA Grameen:

(a) Customer Due Diligence Processes

Our branches enroll customers who satisfy the target clientele criteria. The size of the groups is flexible with a minimum of five and a maximum of ten women customers in a group. One to six groups form a Kendra which typically has five to thirty customers. Once the interested women customers have formed their groups, we provide further information to them, such as a brief introduction to our Company, criteria for group formation and group responsibilities. Immediately after the formation of the group, the loan officer visits the prospective customers' house to collect the Know-Your-Customer ("**KYC**") documents, household income details, and basic data of the customers in a prescribed standard form. At each customer's house, we include all the family members in the conversation during the information gathering session. The customer's husband and household elders are briefly informed of our rules and regulations, including the compulsory training for women customers for three days (30 minutes per day).

Once relevant KYC and customers' information is collected, it is sent to our Regional Processing Centres for data entry in our Core Banking System (T24 MCB^{TM}) and credit bureau check. Upon receiving a positive credit bureau response, the loan officer will conduct compulsory group training.

We believe that group training is necessary for developing group solidarity and strict credit discipline. Having strong cohesive groups with a commitment to credit discipline is one of the contributing factors to the expansion of microfinance. We take time to teach every group to work together cordially and be responsible for financial transactions, both individually and as a group. The duration of the compulsory group training ("**CGT**") is typically three days (two days in case of Kendras that are at least six months old, already has two groups and in which new members are being inducted in existing groups), which might be extended if loan officers deem it necessary (30 minutes each day), for new Kendras and new groups in existing Kendras.

Prospective customers undergo at least half an hour of group training each day over a period of three days, covering various topics such as Kendra meeting processes, rules and regulations of our Company, awareness of products and processes, bank accounts, savings, insurance and pension. On the last day of the group training or at a later date, re-interview is done by the branch manager to determine the customers' level of understanding of the topics covered during the training. The branch manager then visits the homes of the new customers to verify the potential customers and obtain the consent of their family members for the customers becoming borrowers. If the branch manager is satisfied, he recommends the group for the Group Recognition Test ("**GRT**").

The area manager, on the recommendation of the branch manager, conducts the GRT. The GRT is designed to assess the quality of the proposed group and to confirm that they meet all our criteria. All the customers who have cleared the re-interview process are present during the GRT. Based on the results of the GRT, the area manager decides whether or not to approve the group. If approved, the area manager will randomly check the residence of the respective customers to verify the details furnished and also speak to the customer's immediate relatives to verify that the customer has family support in becoming our customer. Prior to disbursement, a second credit bureau check is also done of members of a group to determine their eligibility. This check is intended to verify if members of a group have taken any loans after the first level of verification conducted before the CGT. Thereafter, eligible members are sanctioned loans by the branch manager and disbursed prior to the first Kendra meeting. Through this process, we ensure that there are multiple levels of check before enrolling and disbursing credit to a new group or customer.

(b) Kendra Meetings

Kendra meetings are conducted weekly or fortnightly at a fixed place and time on a particular day. We typically select a common place large enough to accommodate all members of the Kendra, such as schools or community halls. We try to ensure that the location is in the Centre of the village and is commonly used by people of the village so as to give visibility and transparency to the Kendra meetings. For urban areas, we typically hold Kendra meetings in the house of any member of the Kendra as agreed by all members if there is no common place to conduct the meeting.

A Kendra meeting is one of the core activities for our field staff and also a matter of great importance to both our customers and us. Hence, we ensure that Kendra meetings are conducted strictly as set out in our operational guidelines either on a weekly or fortnightly basis. Kendra meetings are vital for us for the following reasons:

- all financial and non-financial transactions with our customers are conducted at the Kendra meeting.

- the Kendra meeting is our point of contact with our customers, and this helps in relationship building with the Customer.
- all our important schemes and policies are shared with our customers at the Kendra meeting.

- the Kendra meeting plays an important role in building our brand image.

The timing of the Kendra meeting is typically fixed by the respective groups. The duration of the meeting may be between 30 to 45 minutes, depending on the location and the volume of transactions. During the course of Kendra meetings, among other items, loan instalments are collected, logged and updated on passbooks; loan utilisation reports are tabled and discussed; loan applications of individual customers are evaluated and if approved by the group, co-signed by the JLG leader and Kendra leader; fresh disbursements of certain categories of loans (such as emergency and festival loans) are made; and fines are levied on customers who violate Kendra rules and regulations.

We continue to adopt primarily a weekly collection model and approximately 61.5% of our gross loan portfolio as of June 30, 2023 was on a weekly basis, 35.0% on bi-weekly basis and 3.5% on monthly basis, thereby ensuring that the repayment frequency matches our customer's cash flow frequency to lower the chances of a loan default.

(c) Loan application and acceptance process

Loan applications are submitted to the loan officer at the Kendra meetings after ensuring that every group member is willing to take joint responsibility for the loan. The loan officer facilitates discussions amongst group members (including at the Kendra meeting) and the group decides whether or not to approve the loan request from a particular member based on everyone's understanding of the nature of business activity the loan is intended to be used for, and the expected frequency of cash flows, viability and profitability. If the group approves the loan, the loan officer accepts the loan application from the customer.

(d) Loan Evaluation

After the receipt of the loan application (countersigned by the leader of the group and Kendra), the loan officer makes a compulsory visit to the customer's residence to interview the customer and other members of her household to ascertain the repayment capacity of the customer. During the visit, the loan officer evaluates the income at household level. Household income is assessed in line with the board approved household income assessment policy.

(e) Loan Sanction and Further Processing

On the recommendation of the loan officer and after reviewing the relevant documents, the branch manager will sanction the loan if it falls within his delegated authority. If not, the branch manager will recommend the loan to the appropriate sanctioning authority as per the delegation of powers approved by the board of directors. Credit bureau check is compulsory for all loan applications and after successful credit bureau check, the loans are sanctioned to the extent subject to maximum permissible FOIR of 50% as per the RBI's microfinance regulation. FOIR (Fixed income to Obligation ratio) is calculated as a ratio of household level obligation (including installment from proposed loan) and household level income. To ensure timely availability of credit to our customers, we have made it mandatory to convey the outcome of loan applications to our customers at the next meeting, be it weekly or fortnightly.

Upon sanctioning the loan, the branch manager signs the sanction letter and the loan officer carries the sanction letter (which includes information about the loan amount, the rate of interest per annum on reducing basis, the frequency of application of interest, the loan tenure, repayment frequency, amount of instalment, insurance details including the premium charged and the loan processing fee charged) to the next Kendra meeting to hand it over to the customer after reconfirming with the other members of the group that they approve the granting of the loan to the particular customer. The sanction of the loan is recorded in the minutes book of the Kendra.

The Customer is required to come to the branch with the sanction letter together with proof of identity to receive disbursement of the loan. Only after verifying the identity of the member, the branch manager will authorize the disbursement. Disbursements are predominantly made in cashless mode i.e., direct credit to member bank account. On disbursement of the loan, the Customer receives a separate passbook for each loan with the repayment schedule printed in it and a factsheet detailing the pricing information. The passbook issued also contains a copy of the loan agreement.

(f) Loan Repayment Process

Before the Kendra meeting, the customers hand over their loan passbooks and instalment amounts to the group leader who is required to verify the amounts collected vis-à-vis the payables reflecting in the passbook. At the Kendra meeting, the group leader hands over the amount collected and the passbooks to the loan officer. The group leader oversees the group's payment and reports to the loan officer. Once the amount collected is the same as the amount demanded, the loan officer checks and signs each member's loan passbook after verifying it with the collection sheet, which he brings from the branch. Any amounts partly paid are entered in a part-payment passbook and added to the regular instalments due in the next collection sheet. The collection sheet generated from the T24 MCB™ system contains the loan details of and the amounts due from each member. Loan instalments are collected only at Kendra meetings and not at the Customer's residence (unless the Customer has defaulted on two or more instalments).

(g) Segregation of Duties and Responsibilities

We have clearly defined roles and responsibilities for every position in the field and controlling offices. By segregating the duties and responsibilities, we ensure that different staff members are responsible for different functions so that no single employee handles end-to-end functions of a given work chain (for example, the client acquisition, loan disbursement process, collections and accounting are handled by different staff members). The field operations have the following roles and associated responsibilities:

- *Loan officer*: New customer acquisitions, household income assessment, conduct CGT, conduct Kendra meetings, accept loan applications, Emergency Loan and Festival Loan disbursements, repayment collections and loan utilization checks.

- *Data entry operator*: Loan application data entry, repayment data entry in the T24 MCB™ system.

- *Cashier (additional charge)*: Repayment collection counting, assist in loan disbursements and branch cash management.

- *Regional processing centre*: Member Basic Data Form (a form with basic details which the customer fills up before joining us) entry, updating of KYC, updating of bank account details.

- *Branch manager*: House visits of new customers, re-interview of customers, verify Member Basic Data Form information, verify loan applications, oversees loan disbursements, loan sanctions, monitor visits of Kendra and overall branch management.

- *Area manager*: Group recognition test, loans sanctioning, monitor branches under his or her authority.

B. Individual Retail Finance Lending Business Processes

Under Individual Retail Finance ("**IRF**") Lending, we provide individual retail finance loans to customers who fulfil certain other eligibility criteria linked primarily to their credit history, income, and business position.

(a) Target customers

In order to be eligible for IRF products, customers have to satisfy the following basic criteria, which include:

- customers who are looking for loans mainly for their income generation activities/asset building for personal use like affordable housing;
- customers of CA Grameen including their immediate family members;
- customers who have been associated with CA Grameen for more than 2 years and having a good repayment track record;
- open market customers having good repayment track record and meeting all credit eligibility criteria;
- 19 to 60 years of age at the time of onboarding and maximum age at the time of loan maturity to be restricted to 65 years;
- own a house, or own or rent a shop;
- ownership of a business for at least one to three years, and compulsory business reference check to be obtained;
- customer must drop out of the group to take individual loans; and
- a co-applicant is compulsory in case of IRF loans, who should be (a) an immediate family member living in the same residence as the applicant, (b) between 19-60 years of age, (c) employed, (d) meet all eligibility criteria on loan product availed, and (e) satisfactory credit bureau check.

(b) Structure and Role Segregation

The IRF business unit is structured in such a way as to carry out the processes in a systematic and orderly manner. This is achieved by organising various functions in clear verticals and defining the roles and responsibilities of each vertical. It also defines the turnaround time to be achieved by each vertical while carrying out their functions. The current structure can be divided into following three broad functions:

- *Business team:* The business team is responsible for sourcing customer as well as repayment collections from customers. In the case of products like Grameen Unnati and Grameen Two-Wheeler loans, the sourcing is done by group lending loan officers and branch managers. As of June 30, 2023, we had 87 IRF branches and each IRF branch is headed by a branch manager who is responsible for the business and operations of the branch. The business team comprises relationship officers ("**RO**"), who are field staff who source IRF customers, and who are responsible for maintaining the relationship with our customers post disbursement and conducting loan utilization checks.

- *Credit and operations team.* The credit and operations team is responsible for credit assessment, sanctioning or rejecting a loan proposal and maintaining documentation and disbursement for sanctioned cases. A credit officer ("**CO**") is responsible for correctness and completeness of the loan application and documentation. The credit appraisal is decentralized at branches and conducted by the branch credit manager ("**BCM**"). The BCM analyses a proposal based on the information gathered and recommend that a case be sanctioned or rejected. To ensure proper documentation, safety of all documents and conduct of disbursement related activities, we have an operations team stationed centrally.

- *Business Support and Risk team.* The business support team is responsible for ensuring continuous, proactive and comprehensive review of processes, documentation and information in the field. The function shall also ensure process adherence, complete and accurate documentation in branches, adherence to Code of Conduct. The field risk control team adds strength to the operational risk control structure of the organization and ensures proactive operational and field risk management. It complements the field operations supervision, business support and internal audit function.

(c) Customer Due Diligence, Credit Appraisal, Sanction and Disbursement

The eligible customers may be identified for IRF loans by any of the following three means:

1. our group lending team passes the lead to a RO of our IRF team;
2. customer directly contacts RO or our central team;
3. customer reaches out to our IRF team during a Kendra meeting when the IRF team makes a visit together with our group lending team; and
4. in the case of Grameen Unnati loan and Grameen Two Wheeler loan, the entire lead generation and loan life-cycle management is conducted by group lending team.

The RO explains the IRF product details and the documentation requirements to the customer, collects KYC documents and also conducts the first round of verification. When filling up the application, the RO verifies that the applicant and the co-applicant satisfy eligibility norms and business criteria norms. The documents collected are then submitted to the branch credit and operations team. The CO then checks the documents for completeness, accuracy and fulfilment of policy conditions and credit bureau check. On clearance of credit bureau check, the branch manager and BCM carries out a personal discussion ("**PD**") at customer residence or business premise. The Branch Credit Team also initiates technical valuation of the property and the legal verification of property documents with the empaneled technical and legal vendors. Basis the Income assessment done during the PD and the valuation of the property as per the technical valuation report, BCM recommends the loan proposal to area credit manager/ regional credit manager/ Zonal credit manager / National credit manager as per the approval authority matrix for approval. In case of Grameen Unnati loan and Grameen Two Wheeler loan, the customer is given an option to repay on weekly/ bi-weekly/ monthly basis at the designated group lending Kendra meetings.

For approved cases, our branch operations team will then fix an appointment with the customer for execution of all the loan documents like sanction letter and loan agreement which form a part of DB Kit along with NACH mandate execution manually or electronically. They also collect all the required documents after this and a charge for the property is created. After execution, the DB Kit is scanned and sent for review at our central office. After verification by our central office team, disbursements through NEFT are transferred directly to the customer's bank account. After the funds transfer is successful, the RO gives the customer a welcome kit along with the repayment schedule. We maintain hard copy versions of all the documents centrally post disbursement.

(d) Loan Repayment Process

A monthly repayment schedule is followed for mortgage backed loans, whereas the Grameen Unnati loan and Grameen Two Wheeler loan are where the customer is given an option to repay on weekly/ bi-weekly/ monthly basis. Loan repayments are collected by triggering the automatic debit mandate which is collected from the customer at the time the documents in the DB Kit are executed and as per the schedule communicated to the customer, except for the Grameen Unnati loan and Grameen Two Wheeler loan where the customer has an option to opt for cash repayment mode.

Intimation is sent to the customer two days in advance of the scheduled repayment date so that the customer has notice to maintain sufficient balance in the account. On the scheduled repayment day, debit instructions are sent to the bank and post successful completion of national automated clearing, the necessary information is sent to the branch. For cases where national automated clearing cannot be completed two consecutive times, collections are done in cash by the RO by visiting the customer physically. Acknowledgment is given to the customer for all cases where the collection is successful.

(e) Loan Utilization Check

A RO does a loan utilization check of all IRF loans. A review of loan utilization checks is done by the branch manager, and a loan utilization report is submitted to our central office and recorded against a customer. In case of a mismatch, we have a process in place where necessary actions are taken to correct the mismatch.

Internal Audit and Internal Controls

Set forth below is a summary of the internal audit and control functions:

Our Company believes in maintaining a strong internal control framework and views such a framework as an essential prerequisite for the growth of business. We have well documented policies, procedures and authorization guidelines that are commensurate with our size. Further, an efficient independent internal audit system is in place to conduct internal audits of all branches, regional offices and as well as the head office.

Our internal audit function is an independent activity guided by a philosophy to add value to improve and enhance operations of our organization. It assists our Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of our internal control, risk management and governance processes.

The internal audit activity is conducted with strict accountability for confidentiality and safeguarding records and information. It has fully authorized, free and unrestricted access to any and all of our Company’s records, physical properties and personnel pertinent to carrying out any engagement. The internal audit activity also has free and unrestricted access to our Board. The Audit Committee of our Board is updated on significant internal audit observations, compliance with statutes, progress of risk management practices and effectiveness of our control systems every quarter. Our internal audit function also interacts with our statutory auditors.

Every branch is audited an average of six times in a financial year. Based on the extent of compliance and adherence to systems, policies and procedures, the audited branches are assigned compliance scores. The branch audit is conducted based on a detailed audit program and various checklists updated in accordance with our operational policies and procedures. The audit process involves field visits in the morning, and office related work, verification and checks in the afternoon and evening. The scope of our branch audit covers the following areas of operations:

- Financial, accounting and operating controls i.e., a review of processes and controls;
- Ascertaining the extent of compliance with our established policies and procedures;
- Visits to Kendra meetings to ascertain compliance with our policies and procedures and conducting customer house visits;
- Cash and bank transactions, records, reconciliations and balances;
- Lending process and documentation;
- Kendra, group formation;
- Enrollment of new customers (limited to non-centralised branches);
- Client records, loan applications, appraisals and approvals;
- Loan disbursements and repayments;
- Collection of fees and insurance premiums;
- Arrears and portfolio at risk;

- Review of internal controls and risk management procedure compliances;
- Branch expenses;
- Accounting, vouchers, book keeping and fixed assets;
- Human resources policies, statutory compliances and housekeeping;
- Adherence to code of conduct, fair practices code, customer protection principles; and
- Follow up on previous audits.

Risk Management

We have a multi-layered risk management process for identifying, managing, and mitigating risks arising across risk taking activities in the organisation to ensure sustainable profitability. The robust risk architecture supports the Company's vision and mission.

Maintaining relatively tight caps on risk exposures is seen as the most conducive approach to providing cost-appropriate mass-market financial services in a socially inclusive manner. The cornerstones of our business model are customer service, outreach and financial inclusion, innovation, technology, proactive risk management and sustainable growth. For example, we will not engage in activities, trade instruments or otherwise enter into risks that do not have a clear relationship to the mission of the institution. We continue to deliver on our promise to shareholders and customers of integrity, social advancement, economic empowerment and sustainable profitability.

We follow a 3-lines of defense mechanism in which the business line including branch & supervisory staff and business support team work as first line of defense. Risk Management is the second line of defense while Internal Audit works as the third line of defense. The management of risks is the responsibility of all senior management and of all staff in all business lines. Each line of business is responsible for managing its own risks.

Risk Management Committee (RMC) assists the Board with oversight of strategies, policies and procedures related to the management of all risk types. Risk Management function is headed by the Chief Risk Officer ("**CRO**") who is primarily responsible for overseeing the development and implementation of our risk management function. The CRO is also responsible for supporting the RMC in the development and implementation of our annual risk plan. The CRO, together with management forms an executive committee which is actively engaged in the process of setting risk measures and limits for the various business lines and monitoring their performance relative to risk-taking and limit adherence. Internal Audit team directly reports to the Audit Committee and has free and unrestricted access to the Board. Risk management committee oversees on implementation of annual risk management plan. Risks are reported to RMC monitored by CRO and management team and quarterly updates are provided. There is free and unrestricted access for internal audit team to the Board. Risk management framework is overseen by board committees (annual risk management plan, periodic updates presented, etc.)

To ensure that all our departments deliver the expected level of support that is instrumental for the execution of risk management activities at an organizational level, a Management Level Risk Committee is formed. Management Level Risk Committee (MLRC) comprises of Managing Director, Chief Executive Officer, Chief Audit Officer, Chief Financial Officer, Chief Technology Officer, and Chief Risk Officer. The Management Level Risk Committee meetings are held at least once a month or more frequently if the need arises. The Management Level Risk Committee monitors management of our major risks in general. The Management Level Risk Committee takes an integrated view of the risks we face and issues specific directives to the respective departments, business lines, regions and branches for necessary action in order to mitigate such risks.

Operational Business Support Team

The Operational Business Support Team ("**BST**") team is a function established within our field operations and BST staff members report to Business Heads to enhance proactive monitoring of our operations. The BST team oversees continuous, proactive and comprehensive review of processes, documentation and information in the field. The function also ensures process adherence, complete and accurate documentation in branches and Kendra meetings and adherence to the code of conduct.

Head Office – Infrastructure, Control and Support

To manage our branch and geographic expansion, we have strengthened the infrastructure, support and control functions at our head office. Our head office has adequate infrastructure and manpower to support our branches and field operations. The support functions such as Finance, Treasury, Accounts, Strategy and Planning, IT, Risk, HR, Audit, Grievance and

Centralized Operations have been adequately staffed with the necessary personnel who are professionally competent to manage our growth.

Regional Processing Centres

Every new customer data entry takes place at centralized locations known as Regional Processing Centres. Regional Processing Centres help to improve controls in the following manner:

- check data entry of newly enrolled customers;
- improve and maintain integrity in data quality;
- independent data entry of new customers; and
- ensure complete and proper documentation.

As of June 30, 2023, we have 21 Regional Processing Centres located in Raipur, Ranchi, Belgaum, Davanagere, Bengaluru, Indore, Kolhapur, Aurangabad, Nagpur, Bhubaneshwar, Erode, Thiruvannamalai, Madurai, Jabalpur, Patna, Cochin, Chennai, Jaipur, Varanasi, and Vadodara.

Proactive Data Analysis

Various portfolio, client monitoring, and branch monitoring reports are generated at defined intervals and analysed by our Business Intelligence and Analytics team, and Risk Management Department. Proactive actionable alerts are sent to our operations teams regularly.

Employee Due Diligence

For new employees who are recruited, our Risk Management Department conducts due diligence in the form of an internal background verification check. Through this process of background verification check, the credentials of the employees and their family backgrounds are checked before they are confirmed as employees. In addition to the background verification check, the conduct of the employee during the probation period is monitored and the employment is confirmed only if his or her conduct is satisfactory.

Human Resources

As of June 30, 2023, we had 17,391 employees. We primarily recruit loan officers at entry levels. Fresh candidates from rural backgrounds are employed and adequately trained. After gaining sufficient experience, loan officers are promoted internally to take up bigger and more important roles. We abide by our values of being committed, reliable, empathetic, accountable, transparent and efficient. We try our best to ensure that our values are genuinely and consistently promulgated in our Company. We have also implemented an ESOP scheme for our employees, along with a range of incentives and employee engagement programs such as gratuity, birthday and wedding gifts, staff loans and insurance.

The following table sets a break-up of our employees by function as of the dates indicated:

Particulars	**As of June 30, 2023**
Loan officers	12,044
Field supervisors	2,831
Field monitoring	559
Centralized operations	574
Finance	58
IT	137
Human resources	130
Internal audit	322
Others	736
Total	**17,391**

Training

We have an effective in-house training facility. It manages, develops and realizes the knowledge and full potential of our employees at an individual, team-based and organization-wide level by providing different types of training to employees of different functions and seniority:

- 15-21 days basic training program is conducted for trainees to prepare them for field operations, which includes field training at one of our branches for two weeks.
- A refresher training program is conducted frequently in accordance with our operational requirements.
- An orientation program is conducted for promoted field staff and new employees at our head office.
- Induction training is provided for all lateral hires.
- Departmental process training programs are conducted for all new recruits and promoted employees.
- Leadership training programs, which are tailored according to the seniority of our employees, are conducted for our employees.

The above training programs are designed based on objectives, targeted groups of employees, skills and capabilities required for our field operations.

Customer Grievance Redressal Mechanism

Our customer grievance redressal mechanism was established to address issues which arise out of situations when our customers are either unhappy with the service provided to them or unsatisfied because we fail to meet their expectations, including grievances on overdue balances, Kendra discipline and cohesion issues. The methodology adopted by this department enables customers to reach out to us in an easy and simplistic manner.

Our grievance redressal process addresses the grievances of all our customers and the general public. We have set up a Grievance Redressal Cell ("**GRC**") to attend to all enquiries and requests of our customers. Staff members of all levels at the GRC and our head office are duty bound to address all concerns of our customers.

Compliance with NBFC-MFI Regulations and Guidelines

As of June 30, 2023, we are in compliance with the regulations and guidelines relating to qualifying assets ratio, capital adequacy ratio, aggregate loan provision policies, pricing of credit, interest rate on loan products and processing charges.

Competition

We face significant competition from unorganized, small participants in the market across all our business segments in addition to other small finance banks, scheduled commercial banks, NBFC-MFIs and NBFCs as well as local moneylenders. Our competitors include Bharat Financial Inclusion Limited (now merged with IndusInd Bank Limited), Fusion Microfinance Ltd, Satin Creditcare Network Ltd, Annapurna Microfinance Private Limited, Arohan Financial Services Limited, Spandana Sphoorty Financial Limited, L&T Finance Limited, Asirvad Microfinance Limited, Ujjivan Small Finance Bank Limited, Equitas Small Finance Bank Limited, Muthoot Microfin Limited, IIFL Samasta Finance Limited, Belstar Microfinance Limited, etc.

In addition, many of our potential customers in the lower income segments do not have access to any form of organized institutional lending, and rely on loans from informal sources, especially money lenders, landlords, local shopkeepers, and traders at much higher interest rates. Therefore, we also face significant competition from these unorganized and unregulated market participants who are prevalent in the semi-urban and rural areas, which are our key areas of focus and whose target customer segment is the same as ours.

Properties

As of June 30, 2023, all the properties used for our operations (except one branch at Madurai), including 1,826 branches, 21 regional processing centers, regional offices, and our head office, have been taken on a lease/ leave and license basis.

As on the date of this Tranche II Prospectus, our Company owns immovable properties located at:

i. Adarshanagar Colony, Arishinakunte village, Nelamangala Taluk, Bangalore-562123.
ii. Plot No. 5, Siruthur village, R.S. No. 146/2213, Madurai North Taluk.

Intellectual Property

Our trade name "*CreditAccess Grameen*" and our logo that include the image CreditAccess Grameen are registered with the Trademarks Registry and the registrations are valid until October 31, 2029.

In addition, our Company has also registered certain logos associated with its brands and operations, such as the "*Grameen Koota*" text and logo which is valid upto January 16, 2027.

Particulars	Trademark
CreditAccess Grameen (logo)	
Grameen Koota Financial Services (logo)	
GRAMEENKOOTA (word)	GrameenKoota
Grameen Koota Jagruti (logo)	

We have also obtained registration for certain domains, including "grameenkoota.org". Please also refer to Risk Factor no. 21- *If we are unable to protect our trademarks and tradenames, others may be able to use our trademarks and tradenames to compete more effectively. Also, we may breach third-party intellectual property rights.*

Information Technology

Our IT support systems aid us in performing several processes involved in the life cycle of a loan transaction. We have made significant investments in our IT infrastructure to be able to control our operating costs and provide quality service to our customers as an NBFC-MFI. For our operations, we have focused on implementing a centralized and consolidated information system to enable a smooth and swift flow of information and data across the system. Our systems have assisted us with data entry automation of loan origination system, credit underwriting process, underwriting rule engine, deviation triggers to minimize human errors, branch accounting system and maintaining customer history. We will continue to embrace state of the art technology solutions to support our growth and enable more efficient operations to benefit our customers, as well as to optimize our operating efficiency.

***Core banking system* ("*CBS*")**

T24 MCB is the CBS offered by Temenos, which is a leading provider of core banking solutions worldwide. T24 MCB has been customized for our business operations. The higher levels of automation, controls and flexibility provided by the system enable us to achieve its vision of reaching out to a larger customer base.

Collaboration with credit bureaus

We work with credit bureaus like Highmark, Equifax and CIBIL. The credit bureaus help identify overlapping microfinance borrowers, their overall loan exposure and incidents of high default. Every loan given by us undergoes a credit check with the credit bureaus and this verification process has been completely integrated into the loan delivery processes and is instrumental in minimizing instances of borrower over-indebtedness. The entire process is automated and centralized which enables high level of controls in this process.

Infrastructure outsourcing

We have been working in partnership with Kyndryl on outsourced infrastructure management services. The Data Centre and disaster recovery server infrastructure management is managed by the outsourced provider. We have also added another service provider Cloud4C for few of the noncore applications to ensure uninterrupted support along with usage of cloud-based service providers such as Microsoft Azure and Amazon Web Services (AWS) for few of the dynamic application requirements. We have entered into partnerships with Bharti Airtel, Sify and Tata Teleservices for network connectivity in all critical locations.

Report generation

We generate various internal and external reports using the Business Intelligence & Reporting solution from Actify Data Labs. This enables the reports to be auto extracted and shared with various stakeholders with a high degree of accuracy and on a timely basis. It also helps in internal publishing of dashboards and reports to the management team.

Internal systems

In addition to the systems which provide core business functionality, we have deployed an enterprise resource planning system for our internal finance and accounting processes and other internal systems such as human resource management. We have also continued using the open source online E-learning portal for employee training, which provides a strong platform for delivering effective learning modules to all our employees. The E-learning portal is a powerful tool which reduces training costs and delivers effective training programs to a larger audience.

Technology initiatives

We continue to actively upgrade our technology architecture and applications to keep pace with changes in the microfinance industry. With initiatives such as field force automation through use of tablets, robust internal communication and knowledge management systems, there are direct benefits in terms of real time information flow between teams, more effective management of operations as well as reduction in processing times. We are now using technological capabilities such as cashless disbursements through instant payment mode (IMPS), instant credit eligibility checks, etc. to improve efficiency as well as enhance the quality of customer experience.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include insurance for burglary, group personal accident insurance, group life insurance, group mediclaim, fidelity policy, and directors' and officers' liability insurance. In addition, we have a money insurance policy pertaining to cash in safes and in transit. Our insurance policies may not be sufficient to cover our economic loss. For details, see "*Risk Factors – Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operation*" on page 38.

Certifications and Awards

We have always maintained a focus on integrating social values in the design and delivery at all stages of products and services. The following table shows the numerous awards and certifications in recognition of our socially- focused approach in conducting our business:

Award / Certification	Organization which gave the award / certification	Year awarded	Details of the award / certification
Best Tech of the Year (Robotics & AI) in the NBFC category	Quantic India	2023	The award celebrates our efforts in implementing innovative, scalable, and agile technologies in our operations to best serve our customers.
India's Best 100 Companies to Work – 2023	Great Places to Work Institute, India	2023	The award stands as a testament to our dynamic leadership team and inclusive workplace culture that empowers all the employees to bring their best self to work and unlock their full potential.
India's Top 25 Best Workplaces in BFSI – 2023 GREAT PLACES TO WORK – CERTIFIED® (Jan 2023-Jan 2024)	Great Places to Work Institute, India	2023	This marks the fourth consecutive year that we have received this prestigious recognition. CA Grameen has demonstrated responsible leadership and fostered employee wellbeing, earning recognition for its employee-centric culture.
Breaking Ground in WASH Financing	Inclusive Finance Summit 2022	2023	CA Grameen has been providing WASH-financing facilities for over a decade through doorstep, affordable credit services, and several awareness programs that we believe are important contributors to sustainable livelihoods and building resilient communities.
Best in Enterprise Mobility & Data Centre	Technology Senate – Indian Express Group	2022	The award was bestowed for the robust enterprise mobility ANDA data management solution implemented at CA Grameen
"Certificate of Merit" for its 2021 edition of the Integrated Annual Report	South Asian Federation of Accountants (SAFA)	2022	The award was bestowed for best presented integrated annual report and corporate governance disclosures.

Award / Certification	Organization which gave the award / certification	Year awarded	Details of the award / certification
Impactful contribution in Financial Inclusion - 12th NBFC100 Tech Summit	Elets Technomedia	2022	The award reflects the ethos of the institution working relentlessly towards creating women entrepreneurs and promoting inclusive growth.
"Best Tech of the Year" in financial services	Quantic India	2022	The award was bestowed for adopting effective measures to drive technological advancement, scalable infrastructure and enabling the best-in-class technological applications to effectively handle high-volume operations and serve our customers seamlessly.
GREAT PLACES TO WORK – CERTIFIED® (Feb 2022-Feb 2023)	Great Places to Work Institute, India	2022	A certification recognising organisations in India which have an excellent workplace culture and high trust levels between employees and the organisation.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. As per the requirement, 2% of the three years' annual profit is spent towards CSR activities. The Company is implementing its CSR activities through CreditAccess India Foundation, a Section 8 company, which is incorporated specifically for the purpose of implementation of CSR activities of the Company, with an aim to empower people belonging to poor households to help them secure respectable livelihoods while ensuring environmental sustainability and gender equality. We believe that our CSR initiatives contribute to our overall strategy of a customer-centric business model and engaging with marginalized communities and we have contributed to CSR initiatives in areas such as increasing social awareness, education and community development. We believe that these initiatives have contributed in maintaining a healthy customer retention levels.

Key Social Welfare Initiatives Increasing social awareness

CreditAccess India Foundation, a section 8 company, focuses on social development areas viz. health, education. Livelihood, environments including increasing awareness about safe water, sanitation and financial literacy. Through this initiative, we hope to encourage hygienic practices, inculcate healthy habits and empower people who are living in poverty.

WASH (Water, Sanitation & Hygiene) program

As many households, especially those in rural areas, face health problems, we conducted a further study and found that lack of hygienic practices and sanitation were behind the poor health conditions. In order to address this issue comprehensively, we started the initiative WASH – Water, Sanitation and Hygiene Program. The impact of the program is evident as people in the community have not only realized the importance of sanitation but also associated us with the good work carried out. Having access to better sanitary facilities has also contributed to increased self-respect for our women customers and their family members.

Jagruti

We created Jagruti program as an awareness building tool, with a vision to empower our customers by providing them with information. We conceived the concept of Jagruti after a rigorous process of deliberations with women as the target group, key stakeholders (within and outside the MFI) and leveraging design-thinking principles. The customers are given information on various areas like food and nutrition, children care, sanitation, financial literacy etc. by loan officers who make an announcement regarding the new Jagruti video updated every month. The mode of delivery is through an online YouTube channel in animated video format ensuring 24X7 accessibility. We continue to implement Jagruti across all our branches and continue to educate our customers every week/ fortnight with a new topic.

Sushikshana program

The Sushikshana is an interactive program designed to provide children in Class 8 and above, a holistic learning experience on Water-Sanitation-Hygiene (WASH), financial literacy including money management, household budgeting, saving, and wealth creation. It shall also include career guidance sessions for class 10 students to help them make better career choices in future after completing their class 10 education. CA Grameen has experience in implementing this program since many years for now. This program shall be executed through partners.

Life insurance coverage

For the year ended March 31, 2023, we acted as master policy holder to cover 44.57 lakh customers under insurance schemes.

HISTORY AND MAIN OBJECTS

Corporate Profile

Our Company was incorporated as Sanni Collection Private Limited ("**SCPL**") on June 12, 1991 at Calcutta, West Bengal, India as a private limited company under the Companies Act, 1956. In February 2007, the entire shareholding of SCPL was acquired by Vinatha M. Reddy, Vijitha Subbaiah and Suresh K. Krishna, in their respective individual capacity. At the time of the acquisition, SCPL also held a certificate of registration as a non-deposit taking NBFC dated March 30, 1998. Subsequently, in October 2007, the microfinance business being operated under T. Muniswamappa Trust ("**TMT**"), a public charitable trust engaged in the business of providing micro loans in Karnataka (including all associated assets, liabilities, goodwill, receivables, loan assets and intellectual property, including the brand name "Grameen Koota") was transferred to SCPL. The microfinance business being operated under TMT was established as a programme under the name "Grameen Koota" in 1999. Subsequent to the acquisition of SCPL and the transfer of the microfinance business of TMT to SCPL, SCPL was rebranded under the "Grameen" name, and pursuant to a resolution of the shareholders of SCPL, our Company's name was changed from Sanni Collection Private Limited to Grameen Financial Services Private Limited and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the Registrar of Companies, West Bengal on March 14, 2008 post which the RBI granted a certificate of registration dated July 28, 2009 reflecting the change of name. Subsequently, the RBI granted a fresh certificate of registration dated February 6, 2012 for registration as an NBFC under Section 45 IA of the Reserve Bank of India Act, 1934. Our Company was granted NBFC-Microfinance Institution ("**NBFC-MFI**") status by the RBI with effect from September 5, 2013. Subsequently, the name of our Company was changed to Grameen Koota Financial Services Private Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Bangalore, Karnataka on November 13, 2014. Further, a fresh certificate of registration consequent upon change of name was issued to our Company by the RBI on December 16, 2014. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on 27 November 2017 and the name of our Company was changed to Grameen Koota Financial Services Limited ("**GFSL**"). A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on December 18, 2017. Subsequently, pursuant to a resolution passed by our shareholders at the EGM held on January 2, 2018, the name of our Company was changed to CreditAccess Grameen Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 12, 2018. Our Company holds a certificate of registration dated January 19, 2018 bearing registration number B - 02.00252 issued by the RBI to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the Reserve Bank of India Act, 1934. For details of the business of our Company, see "*Our Business*" beginning on page 117.

The Corporate Identity Number (CIN) is L51216KA1991PLC053425.

For details of the business of our Company, see "*Our Business*" beginning on page 117.

Registered Office and changes in Registered Office of our Company

Our Registered Office is located at New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka, India. Except as set forth, there has not been any change to the Registered Office since incorporation.

Date of change of Registered Office	Details of changes in the address of registered office
April 29, 2010	From 12/ 2 Sova Ram Bysack Street, Kolkata – 700 007, West Bengal to Avalahalli, Anjanapura Post, J.P. Nagar, 9th Phase, Bangalore – 560 062, Karnataka
February 4, 2016	From Avalahalli, Anjanapura Post, J.P. Nagar, 9th Phase, Bangalore – 560 062, Karnataka to New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. *To provide credit/finance to groups and/or individuals, deliver credits, thrifts and savings and other financial services including housing loans (construction, purchase, extension and renovation), distribution of micro insurance, pension plans fund transfer facilities and allied services in cities, towns, villages of India with a view to provide them sustainable livelihood and enhancement of their and their family living conditions based on their needs, skills and*

traditional livelihood occupations and carry on the business of Micro Finance services, (mainly non-banking financial services as permitted by the Reserve Bank of India.

2. *To carry on the business of financing development activities through long term loans and other means of financing upon such terms and conditions as the company may think fit for the purposes of (1)agricultural development including land acquisition and development, irrigation, watershed development, crop cultivation, plantation, horticulture, forestry, animal husbandry and allied activities, such as dairy, poultry, fishery, aqua culture and floriculture (i) industrial development including, agro-processing, mining and quarrying utilities including water, power and renewable sources of energy -manufacturing, including handicrafts, construction, trade and distribution, transport, and services of all kinds (iii) market linkage development including, provision of inputs for and marketing of output of agricultural and industrial development activities including facilities for storage, trading and transport for such inputs and outputs (iv) habitat development including, purchase, construction up gradation, extension and modification of buildings and infrastructure for residential, agricultural, commercial or industrial purposes but exclusively targeted to the poor in generation and enhancement of livelihoods in India.*

3. *To cross sell non-financial products, provide livelihood promotion and other allied services (including consulting) with a view to provide them sustainable livelihood and enhancement of their and their family's living conditions based on their needs, skills and traditional livelihood occupations.*

4. *To create linkages with banks and national and international financial institutions and international aid/developmental organizations for the purpose of making them bankable community and making available financial products like insurance, savings, deposits, bonds and mutual funds.*

5. *To carry on and undertake the business and activities of an insurance intermediary or agent including a Corporate Agent in accordance with the provisions of the rules and regulations issued by the Insurance Regulatory and Development Authority of India for all classes of insurance business in India which includes, Life, General and Health Insurance Business.*

Key Events, Milestones and Achievements:

Year	Particulars
2007	• Transition from an NGO to an NBFC
2008	• Raised ₹ 9.2 crores from Aavishkar • Started operations in Maharashtra
2011	• Commenced integration with Credit Bureau for credit decisions
2013	• Granted NBFC – MFI license with effect from September 5, 2013 • Raised ₹ 53.2 crores from CAI, Creation and Incofin
2014	• CAI acquired a majority stake in our Company
2015	• Commenced operations in Madhya Pradesh and Chhattisgarh • Raised ₹ 120 crores from CAI
2016	• Introduced business loans facilities as part of the Retail Finance division of our Company
2017	• Raised ₹ 350 crores as fresh equity and ₹ 200 crores as CCD from CAI
2018	• Renamed to CreditAccess Grameen Ltd • Listed on NSE/ BSE through an IPO of equity shares aggregating to ₹ 1,130 crores
2019	• Commenced operations in five new states Jharkhand, Rajasthan, Gujarat, Uttar Pradesh and Bihar
2020	• Acquisition of MMFL on March 18, 2020
2020	• Raised fresh equity of ₹800 crores through a qualified institutional placement of equity shares
2021	• Launched gold loans for existing customers as a part of the Retail Finance division of our Company
2022	• Launched secured business loans for existing and new customers, and new two wheeler loans for existing customers, as a part of the Retail Finance division of our Company
2022	• Signed USD 35 million first of its kind direct ESG-linked loan from DFC (USA) and raised ₹ 500 crores through maiden public NCD issuance
2023	• Completed the merger with Madura Micro Finance Limited with effect from February 15, 2023, duly approved by the National Company Law Tribunal (NCLT).
2023	• Signed a historic syndicated Social Loan Facility of up to USD 200 million

For details on Certifications and Awards, please see "*Our Business*" on page 117.

Details of any acquisition or amalgamation in the last one year

Our Company has not made any acquisition during in the last one financial year. However, the Company has amalgamated with MMFL.

Scheme of Amalgamation

Pursuant to orders passed by Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench and Bengaluru Bench on October 12, 2022 and February 7, 2023, respectively, approving the Scheme of Amalgamation ("**Scheme**") between MMFL, our Company and the respective shareholders & creditors, *inter-alia,* for amalgamation of MMFL with our Company, MMFL amalgamated into our Company with effect from February 15, 2023 ("**Effective Date**"). By virtue of the above, all the undertakings of MMFL have been transferred and vested in our Company on a going concern basis without any further act, instrument or deed with effect from the Effective date.

Details of any reorganization or Reconstruction undertaken by our Company in the last one year

Except as provided under "*History and Main Objects - Scheme of Amalgamation*" on page 150, our Company has not made any reorganization or reconstruction in the last one year prior to filing of this Tranche II Prospectus.

Material Agreements and Material Contracts

Our Company has not entered into any other material agreements and material contracts which are not in the ordinary course of business, in the last two years.

Subsidiary Companies

As on the date of this Tranche II Prospectus, our Company has the following subsidiary:

1. CreditAccess India Foundation, Wholly Owned Subsidiary

CreditAccess India Foundation ("**CA India Foundation**") is a registered Section 8 company incorporated on May 29, 2021. It is classified as a non-government company and is registered at the Registrar of Companies, Karnataka at Bangalore, having its Registered Office at 8^{th} Block, Jayanagar, (near Rajalakshmi Kalayan Mantap), No. 49, 46th Cross, Bengaluru Bangalore KA 560070 IN under the Corporate Identification No. U85300KA2021NPL147906.

The foundation focuses on social development areas like health, education, livelihood, environment and providing humanitarian aids.

Associates

As on the date of this Tranche II Prospectus, our Company has no associates.

Joint Venture

As on the date of this Tranche II Prospectus, our Company has no joint ventures.

Enterprises over which control is exercised by the Company

As on the date of this Tranche II Prospectus, our Company does not exercise control over any of the enterprises, other than on its subsidiary.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations. It is governed by the Articles of Association of our Company and the relevant directions issued by the RBI.

The Articles of Association of our Company require us to have not less than 3 and not more than 15 Directors. As of the date of this Tranche II Prospectus, we have eight Directors on the Board, out of which one Director is Managing Director , two Directors are Nominee Directors one Director is Non-Executive Non-Independent Director and four Directors are Independent Directors, including two women directors on the Board.

Details of Board of Directors as on the date of this Tranche II Prospectus:

Name, designation, and DIN	Age (in years)	Address	Date of Appointment/ Re-appointment	Other directorships
Udaya Kumar Hebbar Designation: Managing Director DIN: 07235226	63	1001 / C-2, South City Apartments, Bannerghatta Road, Arekere Mico Layout, Bangalore South, Billekahalli, Bangalore, Karnataka – 560076, India	July 15, 2015*	1. Alpha Micro Finance Consultants Private Limited
George Joseph Designation: Chairman and Lead Independent Director DIN: 00253754	74	Melazhakath House, 1/362 Alanickal Estate Road, Arakulam, IdukiDist, Kerala – 685591.	September 9, 2015**	1. Popular Vehicles and Services Limited
Lilian Jessie Paul Designation: Independent Director DIN: 02864506	53	Villa 1, Prestige Cedars 7, Convent Road, Opposite Golds Gym, Richmond Town, Bangalore North, Bengaluru, Karnataka – 560025, India	September 16, 2020	1. Expleo Solutions Limited 2. Bajaj Consumer Care Limited 3. PB Fintech Limited 4. PolicyBazaar Insurance Brokers Private Limited 5. Paul Writer Strategic Services Private Limited
Manoj Kumar Designation: Independent Director DIN: 02924675	58	Villa 180, Adarsh Palm Retreat, Lane 8, Phase 1, Outer Ring Road, Devara Beesana Halli, Bangalore – 560 103	October 30, 2019	1. Krishi Kalpa Foundation 2. Foundation for Aerospace Innovation Research and Entrepreneurship 3. Uoft India Foundation 4. Sustain Plus Energy Foundation 5. Foundation for Innovation & Research in Science and Technology 6. Kanpur Flowercycling Private Limited 7. Confluence for Health Action and Transformation Foundation 8. Foundation for Innovation and Social Entrepreneurship 9. Malgharia Advisors Private Limited 10. Center for Cellular and Molecular Platforms

Name, designation, and DIN	Age (in years)	Address	Date of Appointment/ Re-appointment	Other directorships
				11. Voxelgirds Innovations Private Limited
Massimo Vita Designation: Nominee Director (Non-executive) DIN: 07863194	50	Polo Residept.3A, 20 Soi Polo, Wireless Road, Lumpini, Patumwan, 1033, Thailand	July 25, 2017	1. PT Bina Artha Ventura 2. CAA-Bos Limited 3. CAA Vietnam Trading Company Limited 4. CreditAcces Philippines Financing Company Inc. 5. MicroFinanza Rating S.R.L. 6. P.T. Konsultasi Mikro Ventura 7. Asia Impact S.G. Pte Limited 8. M.F.R. Credit Rating S.R.L. (subsidiary of MicroFinanza Rating S.R.L.) - Italy 9. Vicart Solutions Private Limited
Sumit Kumar Designation: Nominee Director (Non-executive) DIN: 07415525	48	B-1/1501, World Spa, Sector 30, Gurgaon, Haryana – 122 001, India	August 16, 2016	1. Olympus Capital Holdings Asia India Advisors Private Limited 2. Manak Waste Management Private Limited
Paolo Brichetti Designation: Vice-Chairman & Non-executive Director DIN: 01908040	58	Via Cantonale 42, 6534 S.Vittore Grisons, Switzerland	October 21, 2022	1. CreditAccess India B.V. 2. CreditAccess SEA B.V. 3. Asia Impact SA 4. Istituto Atesino di Sviluppo SpA 5. Stichting AI-X
Rekha Warriar Designation: Independent Director DIN: 08152356	65	903, Cosmos Prime, Magarpatta City, Hadapsar, Pune-411028	October 21, 2022	1. IIFL Securities Limited 2. 360 One Prime Limited (Formerly IIFL Wealth Prime Limited) 3. IIFL Facilities Services Limited

**Mr. Udaya Kumar Hebbar has been re-appointed as Managing Director and CEO w.e.f. June 26, 2023 and re-designated as Managing Director w.e.f. August 01, 2023.*
***Mr. George Joseph has been appointed as Chairman of the Board w.e.f. August 11, 2021.*

Brief profile of the Directors of our Company

Udaya Kumar Hebbar

Udaya Kumar Hebbar is the Managing Director of our Company. He holds a bachelor's degree in commerce from the University of Mysore and a master's degree in commerce from Karnatak University, Dharwad. He is a certificated associate from the Indian Institute of Bankers and holds a diploma from Vanderbilt University. He has served as the Head, Commercial and Branch Banking Operations at Barclays Bank PLC, Mumbai for three years. He was also associated with ICICI Bank for over 11 years.

George Joseph

George Joseph is the Chairman and Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Kerala. He is a certificated associate of the Indian Institute of Bankers. He has also completed a banking diploma from the Institute of Bankers, London and is also an associate at the Institute of Bankers, London. He retired as Chairman and Managing Director of Syndicate Bank. He was associated with Canara Bank for a period of over 36 years and resigned as General Manager in 2006.

Lilian Jessie Paul

Lilian Jessie Paul is an Independent Director of our Company. She has completed her degree of Bachelor of Engineering in Computer Science and Engineering from Bharathidasan University, Tiruchirapalli and Post-Graduate Diploma in Management from Indian Institute of Management, Calcutta. She was marketing manager of Infosys. She went on to be Chief Marketing Officer of Wipro Technologies, she founded Paul Writer a marketing SE advisory firm that works with global and Indian clients to maximise marketing impact through a combination of consulting, content, and community management. Paul Writer runs a community of over 30,000 marketers.

Manoj Kumar

Manoj Kumar is an Independent Director of our Company. He holds a bachelor's degree in science from Kumaun University and a master's degree in Public Administration from Lucknow University. He has completed the 184th session of the Advanced Management Program from the Harvard Business School. He was associated with Misys Software Solutions (India) Private Limited for over eleven years and was elevated to the post of Vice President. He was also associated with Tata Education and Development Trust as a senior advisor.

Massimo Vita

Massimo Vita is nominated by our Promoter, CreditAccess India B.V., on the Board of our Company. He holds a master's diploma of 2nd level in development, innovation and change from Bologna University in Bologna, Italy and a degree in economics and commerce from Verona University in Verona, Italy. He also has a DEUF Diplome Francais from the Universite de J. Moulin and was a visiting student for the ERASMUS Programme at University College of Dublin. He completed a three-year apprenticeship as a professional auditor as certified by the Italian Ministero Della Giustizia in 2002. He was the Head of the Operation Support of CreditAccess India (then known as CreditAccess Asia N.V.) for a period of almost two years. He was TA Field Expert for the TA Facility of Regional MSME Investment Fund for Sub-Saharan Africa managed by Symbiotics SA for a period of four years. He was also the Partner and board member of Microfinanza Srl. for a period of seven and a half years. He was also associated with Arthur Andersen S.p.A. for a period of three years. He is currently the group chief risk officer for CreditAccess SEA BV.

Sumit Kumar

Sumit Kumar is a Nominee Director (Non-executive) of our Promoter, CreditAccess India B.V., in our Company. He holds a bachelor's degree in textile technology from the Indian Institute of Technology, New Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was previously associated with The Boston Consulting Group Pte. Limited He has been associated with Olympus Capital for over 15 years.

Rekha Warriar

Ms. Rekha Warriar is an Independent Director on the Board of the Company. She holds a Master's degree in Applied Mathematics from the University of Bombay and a Master's in Public Policy from Princeton University, USA. She has an experience of over 30 years with the Reserve Bank of India in various departments. She has headed the departments of financial stability and internal debt management. She has also worked as a member of faculty in various RBI's training colleges and institutes.

Paolo Brichetti

Mr. Paolo Brichetti is a Vice-Chairman and Non-Executive Director on the Board of the Company. He has completed International Business Course from London Polytechnic (now part of London Metropolitan University). He is Founder and Non-Executive Director Shareholder of CreditAccess India. He has more than 20 years of experience in innovative business and financial initiatives. Prior to setting up CAI, he served as Managing Director of CTM Altromercato, Advisor of Council of Europe, President of Microcredit SCRL, MicrocreditCoop, and the European Fair-Trade Association.

Relationship between Directors

As on the date of this Tranche II Prospectus, none of our Directors are related to each other.

Remuneration of Directors

i. **<u>Remuneration payable to the Directors by the Company:</u>**

The terms of remuneration of the Managing Director and CEO are as below:

Udaya Kumar Hebbar

The following table sets forth terms of remuneration of Udaya Kumar Hebbar, Managing Director & CEO with effect from June 26, 2023, as approved by the Shareholders *vide* postal ballot resolution dated April 25, 2023 and subsequent to his re-designation as Managing Director with effect from August 1, 2023, vide resolution passed by the Board dated July 21, 2023 on the same terms and conditions as approved by the shareholders *vide* postal ballot resolution date April 25, 2023, for a period of two years his remuneration limits are mentioned below:

Particulars	Terms of remuneration
Period	From June 26, 2023 to June 25, 2025
Remuneration	₹330 Lakhs p.a. (Three Hundred & Thirty lakhs only), excluding variable compensation in the form of Annual Performance Bonus, which shall not exceed 35% (Thirty Five Percent) of annual Cost-To-Company (CTC), and ESOP Allotments with vesting gains (equal vesting of 25% each in 4 years), which shall not exceed 125% (One Hundred & Twenty Five Percent) of annual CTC, as per applicable ESOP Policy, and total compensation payable shall be subject to the overall limits as specified under Section 197, read with Schedule V of the Companies Act, 2013 and the Rules made thereunder, for FY23-24.

Details of remuneration paid to the Executive Directors during current year, and the Fiscals 2023, 2022 and 2021 by our Company:

(₹ in crore)

Name of Director	Current year (till June 30, 2023)		For Fiscal 2023		For Fiscal 2022		For Fiscal 2021	
	Salary	Perquisites	Salary	Perquisites	Salary	Perquisites	Salary	Perquisites
Udaya Kumar Hebbar	0.67	NA	3.50#	1.04	2.77#	3.12	2.14#	1.03
Ram Diwakar Boddupalli *	NA	-	NA	-	Na	-	088#	2.48

** Ram Diwakar Boddupalli has resigned with effect from November 6, 2020*
 # Inclusive of bonus

Remuneration of Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees. No commission will be paid to them.

Our Company pays sitting fees per meeting to the Non-Executive Directors, for attending the meetings of the Board and Committees thereof. The following table sets forth all compensation recorded by our Company to the Nominee Directors during the current year and Fiscals 2023, 2022 and 2021:

Name of Director	Current year (till June 30, 2023)		For Fiscal 2023		For Fiscal 2022		For Fiscal 2021	
	Commission	Sitting Fees	Commission*	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Massimo Vita	NA	0.04	NA	0.14	NA	0.08	NA	0.07
Sumit Kumar	NA	0.03	NA	0.10	NA	0.06	NA	0.05
Paolo Brichetti	NA	0.02	NA	0.035	NA	NA	NA	0.07

Remuneration of Independent Directors

The Independent Directors are paid remuneration by way of sitting fees and commission.

Our Company pays sitting fees per meeting to the Independent Directors for attending the meetings of the Board and Committees thereof, as under:

Particulars	Board		Committees	
	Chairman	Members	Chairman	Members
Full Board Meetings				
Physical / Electronic Participation	1,00,000	85,000	100,000	75,000
Shorter Notice/Special Purpose Meetings				
Physical / Electronic Participation	75,000	50,000	50,000	40,000

The Independent Directors are paid commission ranging between a minimum of ₹15 lakhs and a maximum of ₹25 lakhs per director, per year.

The following table sets forth all compensation recorded by our Company to the Independent Directors during the current year and Fiscals 2023, 2022 and 2021:

(₹ in crore)

Name of Director	For June 30, 2023		For Fiscal 2023		For Fiscal 2022		For Fiscal 2021	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Anal Jain*	NA	NA	NA	NA	NA	NA	0.03	0.03
Prabha Raveendranathan^	NA	NA	NA	NA	NA	NA	0.08	0.06
George Joseph	NA	0.05	0.25	0.17	0.25	0.099	0.12	0.09
Sucharita Mukherjee$	NA	NA	0.08	0.01	0.17	0.06	0.08	0.04
Manoj Kumar	NA	0.045	0.19	0.11	0.20	0.09	0.10	0.08
Lilian Jessie Paul	NA	0.025	0.15	0.05	0.16	0.05	0.06	0.03
Rekha Warrier	NA	0.037	0.11	0.04	NA	NA	NA	NA

* *Anal Jain has resigned with effect from June 25, 2020*

^ *Prabha Raveendranathan has ceased to be a Director with effect from November 3, 2020*

$ *Sucharita Mukherjee has ceased to be a Director with effect from September 10, 2022*

Remuneration payable to the Directors by the Subsidiary or Associate Company:

No remuneration has been paid to the Directors for the current year and Fiscals 2023, 2022 and 2021 by our subsidiary and associates.

Other understandings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority and/or bank or financial institutions.

None of our Directors is, or was, a director or person in control of any company which has been or was delisted from any recognised stock exchange within a period of ten years preceding the date of this Tranche II Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021.

None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by the Board. Further, none of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI or, RBI are pending against any of our Directors.

No Director of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

We confirm that the PAN of the Directors of the Company has been submitted to the Stock Exchanges at the time of filing this Tranche II Prospectus.

Borrowing Powers of the Board:

Pursuant to a special resolution passed by the shareholders of our Company on July 30, 2021 in accordance with provisions of 180(1)(c) of the Companies Act, 2013 and other applicable provisions and rules made thereunder, the Board has been authorised to borrow, from time to time such sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) and securities premium account of the Company, provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceeding ₹ 20,000 crore at any time

The aggregate value of the NCDs offered under this Tranche II Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as abovementioned.

Interest of the Directors:

As on the date of the Tranche II Prospectus, none of our Directors are interested in the promotion of the Company.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the Independent Directors of our Company are entitled to sitting fees for attending every meeting of the Board or a Committee thereof, and a commission as may be paid with the approval of the shareholders of the Company. Managing Director and CEO is interested to the extent of remuneration paid for services rendered / ESOP granted, if any, as an officer or employee of our Company.

All the directors of our Company, including Independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Tranche II Prospectus, statutory registers maintained by our Company in this regard our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Tranche II Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them. None of our Company's Directors have taken any loan from our Company.

As of the date of this Tranche II Prospectus, except as disclosed in the Section "*Related Party Transactions*" on page 171 none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody-corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

No contribution has been made by the directors as part of the Tranche II Issue or separately in furtherance of the Objects of the Tranche II Issue.

None of our Directors' relatives have been appointed to an office or place of profit of our Company, its subsidiary or associate company

Except as disclosed hereinabove and under the section titled *"Risk Factors"* on page 20, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the sections titled "*Related Party Transactions*" on page 171 and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Tranche II Prospectus with BSE and NSE nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

No benefit/interest will accrue to our Promoters/Directors out of the objects of the issue.

Debenture / Subordinated Debt holding of Directors:

As on June 30, 2023, none of the Directors of our Company hold any debentures / subordinated debt issued by our Company

Details of change in Directors of our Company during last three years preceding the date of this Tranche II Prospectus:

Name of Director, Designation and DIN	DIN	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable	Remarks
Anal Kumar Jain, *Independent Director*	01239653	January 27, 2011	-	June 25, 2020	Resignation
Lilian Jessie Paul, *Independent Director*	02864506	September 16, 2020	-	-	Appointment
Prabha Raveendranathan, *Independent Director*	01828812	January 27, 2011	November 3, 2020	-	Cessation
Ram Diwakar Boddupalli, *Director Finance and CFO*	02775640	June 14, 2019	-	November 6, 2020	Resignation
Paolo Brichetti, *Chairman, Nominee Director*	01908040	-	July 30, 2021	-	Cessation
Sucharita Mukherjee, *Independent Director*	02569078	September 11, 2017	September 10, 2022	-	Cessation
Paolo Brichetti, *Vice-Chairman, Additional Director (non-executive)*	01908040	October 21, 2022	-	-	Appointment
Rekha Warriar *Additional Director (Independent)*	08152356	October 21, 2022	-	-	Appointment

Shareholding of Directors as on June 30, 2023:

As on June 30, 2023, the shareholding of our Directors in our Company is as follows:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 10 each	Number of Stock Options Outstanding	% of total Equity Shares of our Company
1.	Udaya Kumar Hebbar	2,39,735	4,39,900[#]	0.15%
2.	George Joseph	1000	NA	NA
3.	Paolo Brichetti*	13	NA	NA

[##] Includes 1,10,000 options exercised but not allotted as on June 30, 2023.
**Holds as a Nominee of CreditAccess India B.V.(CAI). Beneficial interest lies with CAI.*

***Shareholding of Directors in Subsidiary or associate company, including details of qualification shares held by Directors as on the date of this Tranche II Prospectus*:**

As on the date of this Tranche II Prospectus, none of the Directors have shareholding in our Subsidiary or associate company.

Key Managerial Personnel of our Company:

Provided below are the details of the Key Managerial Personnel of our Company, other than our Managing Director, as of the date of this Tranche II Prospectus.

Ganesh Narayanan, CEO (appointed w.e.f August 01, 2023)

Ganesh Narayanan is the Chief Executive Officer of our Company. He holds a bachelor's degree in electronics from Bharathiar University, Faculty of Science and a master's degree in management from Bharathiar University, Faculty of Social Sciences. He has about 25 years of experience in strategic planning. He has worked with Yes Bank for a decade as Group President and Deputy National Head – Indian Financial Institutions Banking, heading multiple business segments. During his stint at Fullerton India, he played an instrumental role in starting the microfinance business as the Vice-President – Rural Markets. He has also been associated with ICICI Bank.

Mahadev Prakash Jayakumar Matada, Company Secretary & Chief Compliance Officer (Appointed w.e.f. January 22, 2020)

Mahadev Prakash Jayakumar Matada is the Company Secretary & Chief Compliance Officer of our Company. He holds a bachelor's degree in business management from the University of Mysore and a bachelor's degree in law from Karnataka State Law University. He also holds a Master's degree in Commerce from Karnataka State Open University and a Master's degree in business laws from National Law School of India University, Bangalore. He is an associate member of the Institute of Company Secretaries of India, New Delhi. He was previously associated with Ernst and Young, J. Sagar Associates, Janalakshmi Financial Services (*now Jana Small Finance Bank*), RMZ Corporation, BPL Limited, and Bal Pharma Limited.

S. Balakrishna Kamath, Chief Financial Officer (Appointed w.e.f. November 7, 2020)

S. Balakrishna Kamath is the Chief Financial Officer of our Company. He has about 30 years of experience in finance, treasury, fundraising, corporate governance, and compliance functions. He has held various leadership positions throughout his career from 1993 to 2020 across various industries, including Tata Group covering the Indian and global markets. Prior to joining our Company, he held the position of 'CFO and Compliance Officer' in Tata Capital Housing Finance Limited, Mumbai. He is a member of the Institute of Chartered Accountant of India and the Institute of Company Secretaries of India.

As on the date of this Tranche II Prospectus, all of the Key Managerial Personnel of our Company are the permanent employees of our Company.

Relationship with other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Interests of Key Managerial Personnel

Except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment reimbursement of expenses incurred by them during the ordinary course of business and equity shares held by them along with vested ESOP options, the Key Managerial Personnel of the Company do not have any interest in the Company.

Compensation to Key Managerial Personnel

(₹ in crore)

Name of KMP	As on June 30, 2023	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Ganesh Narayanan	0.49	1.97	1.55	NA
M.J. Mahadev Prakash	0.21	0.76	0.58	0.42
Balakrishna Kamath	0.34	1.35	1.08	1.04

Equity Shares held by Key Managerial Personnel

Name of KMP	Numbers of Shares held	Employee Stock Options Outstanding	Percentage of Shareholding in %
Ganesh Narayanan	3,890	1,13,960	0.00% (Negligible)
Sadananda Balakrishna Kamath	5,085	73,500	0.00% (Negligible)
M.J. Mahadev Prakash	500	39,100	0.00% (Negligible)

No benefit/interest will accrue to our Key Managerial Personnel out of the objects of the issue.

Senior Management Personnel of our Company

In addition to the Mr. Ganesh Narayanan, Mr. M.J. Mahadev Prakash and Mr. Balakrishna Kamath who are also designated as our Company's Key Managerial Personnel, whose details are provided in "*Our Management -Details of Board of Directors as on the date of this Tranche II Prospectus*" and "*Our Management - Key Managerial Personnel of our Company*" on page 151 and 157 respectively, the details of the Senior Management Personnel, as on the date of this Prospectus, are set out below:

Names of our Senior Management Personnel

1. Mr. Arun Kumar B, Head - Strategy, Innovations & Analytics

2. Mr. Firoz Anam, Chief Risk Officer

3. Mr. Gururaj Rao, Chief Audit Officer

4. Mr. Narayanan M, Chief Integration Officer

5. Mr. Nilesh Dalvi, Head – Investor Relations

6. Mr. Sudesh Dinesh Puthran, Chief Technology Officer.

Compensation of our Company's Senior Management Personnel

(₹ in crore)

Name of SMPs	For Current Year (till June 2023)	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Arun Kumar B	0.27	0.93	0.81	0.67
Firoz Anam	0.29	1.00	0.80	0.66
Gururaj Rao	0.42	1.45	1.26	1.00
Narayanan M	0.34	1.16	1.01*	0.88*
Nilesh Dalvi	0.22	0.77	0.62	0.50
Sudesh Dinesh Puthran	0.43	1.50	1.30	1.20

**As CEO & CFO of MMFL*

Interest of Senior Management Personnel

Except as stated below, none of our Senior Management Personnel has been paid any consideration of any nature from our Company:

- Remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except as stated below, Senior Management Personnel are not interested in the Company**:**

- To the extent of the shareholding in the Company, if any held by them or their relatives or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and/ or the stock options granted to some of our key managerial personnel.

- To the extent of debentures of our Company held by them or to be subscribed by them in this Tranche II Issue and to the extent of any interest/redemption procees paid/payable to him and other distributions in respect of the said debentures.

Except for the letter of appointment issued to our Senior Management Personnel as an employee of the Company**,** our Company has not entered into any contracts or arrangement with the Senior Management Personnel relating to appointment and remuneration or providing for benefits upon termination of employment.

No benefit/interest will accrue to our Senior Management Personnel out of the objects of the issue.

Relationship with other Senior Management Personnel

None of our Senior Management Personnel are related to each other.

Shareholding of our Company's Senior Management Personnel

As on the date of this Tranche II Prospectus, the details of the shareholding of the SMP of the Company have been set out below.

Sr. No.	Name of SMPs	Designation	No. of shares held	Total shareholding as % of total no. of Equity Shares
1.	Arun Kumar B	Head - Strategy, Innovations & Analytics	50,539	0.03%
2.	Firoz Anam	Chief Risk Officer	Nil	N.A
3.	Gururaj Rao	Chief Audit officer	37,000	0.02%
4.	Narayanan M	Chief Integration Officer	6,24,362	0.40%
5.	Nilesh Dalvi	Head – Investor Relations	700	0.00 (Negligible)
6.	Sudesh Dinesh Puthran	Chief Technology Officer	Nil	N.A

Corporate Governance

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee as mandated under the Companies Act, 2013 and the SEBI Listing Regulations.

Details of various Committees of the Board:

*Audit Committee**:***

The Audit Committee was last reconstituted vide a resolution passed by the Board through circulation on January 13, 2023. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation on Committee	Designation
George Joseph	Chairman	Independent Director
Massimo Vita	Member	Nominee Director (Non-executive)
Manoj Kumar	Member	Independent Director
Rekha Warriar	Member	Independent Director

The Audit Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Audit Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the law. The Audit Committee also reviews performance of the statutory auditors, the Internal Auditors, adequacy of the internal control system and Whistle-blower mechanism.

The broad terms of reference of the Audit Committee are:

a. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor;
c. Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
d. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    i. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;

v. Compliance with listing and other legal requirements relating to financial statements;
vi. Disclosure of any related party transactions; and
vii. Modified opinions in the draft audit report

f. Reviewing with the management, the quarterly half-yearly and annual financial statements before submission to the Board for approval;
g. To formulate & periodically review such policies as mandated under the applicable laws, from time to time;
h. Scrutiny of inter-corporate loans and investments;
i. Valuation of undertakings or assets of the Company, wherever it is necessary;
j. Evaluation of internal financial controls and risk management systems;
k. Approval or any subsequent modification of transactions of the Company with related parties;
l. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
m. Approving any changes / amendments in the ECL model / methodology
n. Information Systems Audit may be conducted at least once in a year or in such periodicity, as the Committee may deem fit, from time to time.
o. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
p. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
q. Review of ageing analysis of entries pending reconciliation with outsourced vendors;
r. Discussion with internal auditors on any significant findings and follow up thereon;
s. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
t. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
u. Looking into the reasons for substantial defaults in the payment to debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
v. Approval of appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
w. Reviewing the functioning of the whistle blower mechanism;
x. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders.
y. To periodically interact with officials of the Company on a one-one basis without the presence of Senior Management including MD & CEO, as stipulated under applicable laws, from time to time;
z. Framing suitable policies, systems and controls from to time, to ensure that there is no violation of securities laws, by an employee under applicable laws, including:

   (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended from time to time;

aa) Carry out such other functions as required under the applicable laws and as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate ;

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations;
b) Management letters/letters of internal control weaknesses issued by the statutory auditors;
c) Internal audit reports relating to internal control weaknesses;
d) The appointment, removal and terms of remuneration of the chief internal auditor; and
e) Statement of deviations:
   (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations."

Asset Liability Management Committee:

The Asset Liability Management Committee was last reconstituted vide a resolution passed by the Board on August 11, 2021. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation on Committee	Designation
Udaya Kumar Hebbar	Chairman	Managing Director
George Joseph	Member	Independent Director
Sumit Kumar	Member	Nominee Director (Non-executive)
Massimo Vita	Member	Nominee Director (Non-executive)
Balakrishna Kamath	Member	Chief Financial Officer

The functions of the ALM Committee include addressing concerns regarding asset liability mismatches, interest rate risk exposure, and achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects and adhering to the relevant policies and regulations.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on October 21, 2022. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation on Committee	Designation
Manoj Kumar	Chairman	Independent Director
Lilian Jessie Paul	Member	Independent Director
Paolo Brichetti	Member	Non-executive Director

The broad terms of reference of the Nomination and Remuneration Committee are:

a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
b. Formulation of criteria for evaluation of independent directors and the Board;
c. Devising a policy on Board diversity;
d. Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
e. Analysing, monitoring and reviewing various human resource and compensation matters;
f. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
g. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, including the following:

    i. administering the GKFSPL Employee Stock Option Plan-2011 (the "**Plan**");
    ii. determining the eligibility of employees to participate under the Plan;
    iii. granting options to eligible employees and determining the date of grant;
    iv. determining the number of options to be granted to an employee;
    v. determining the exercise price under of the Plan; and
    vi. construing and interpreting the Plan and any agreements defining the rights of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

j. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

k. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.”

Stakeholder’s Relationship Committee:

The Stakeholders’ Relationship Committee was last reconstituted vide a resolution passed by the Board on October 21, 2022. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation on Committee	Designation
Lilian Jessie Paul	Chairperson	Independent Director
George Joseph	Member	Independent Director
Udaya Kumar Hebbar	Member	Managing Director

The broad terms of reference of the Stakeholder’s Relationship Committee are:

a. Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
b. To oversee grievances/ complaints received from customers
c. Allotment of shares and debentures, approval of transfer or transmission of shares, debentures or any other securities;
d. Dematerialisation of shares and re-materialisation of shares, issue of duplicate certificates and new certificates on split/consolidation/renewal;
e. Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
f. Review of measures taken for effective exercise of voting rights by shareholders
g. Review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar & Share Transfer Agent;
h. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company and
i. Carry out such other functions as required under the applicable laws and as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate

Risk Management Committee:

The Risk Management Committee was last reconstituted vide a resolution passed by the Board on October 21, 2022. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation on Committee	Designation
Massimo Vita	Chairman	Nominee Director (Non-executive)
George Joseph	Member	Independent Director
Rekha Warriar	Member	Independent Director
Udaya Kumar Hebbar	Member	Managing Director
Sumit Kumar	Member	Nominee Director (Non-executive)

The scope of the Risk Management Committee includes the references made under the SEBI Listing Regulations, and the RBI Regulations.

The terms of reference of the Risk Management Committee are:

a. Formulating a detailed risk management policy which shall include:
    i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee
    ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
    iii. Business continuity plan.

b. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
c. Monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
d. Periodically reviewing the risk management policy, at least once in a year two years, including by considering the changing industry dynamics and evolving complexity;
e. Reviewing a central record of all material outsourcing at-least on a half yearly basis;
f. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
g. Reviewing the appointment, removal and terms of remuneration of Chief Risk Officer and periodically have one-one discussion with him without the presence of Senior Management including MD, as stipulated under applicable laws from time to time;
h. Carry out such other functions as required under the applicable laws and as are consistent with the purpose of the Committee and the Board or the Committee shall deem appropriate;

Corporate Social Responsibility and Environment, Social and Governance Committee:
The Corporate Social Responsibility and Environment, Social and Governance Committee was last reconstituted vide a resolution passed by the Board on August 11, 2021. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation on Committee	Designation
Udaya Kumar Hebbar	Chairman	Managing Director
Manoj Kumar	Member	Independent Director
Massimo Vita	Member	Nominee Director (Non-executive)
Lilian Jessie Paul	Member	Independent Director

The functions of the Committee include:

a. To periodically review the Corporate Social Responsibility Policy of the Company, which indicates the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013, as amended from time to time;
b. Monitoring of CSR activities / projects undertaken by the Company on a periodical basis;
c. Approval and recommendation of, the annual report on CSR, forming part of the Board's Report;
d. Review of Annual CSR Action Plan in pursuance of the Company's CSR policy including CSR Budget;
e. Review of Impact Assessment Report on the CSR Projects, if any;
f. Carrying out any other functions as required under the applicable laws / as may be delegated by the Board from time to time.
g. Review of targets for ESG performance and periodically report to the Board on the progress made;
h. Reviewing and reporting to the Board on implementation of ESG projects and periodically monitor the same;
i. Review of ESG risk rating and Sustainability Assessment score awarded to the Company on a periodical basis and monitor the areas of improvement;
j. To formulate and periodically review ESG & Sustainability related policies, including sustainable development of the company's projects and operations and social, economic & environmental responsibility in the regions where the Company operates.
k. Advising the Board on the aspects of diversity (including but not limited to gender, qualifications, representation, etc.) in order to drive an ESG culture across all aspects of decision-making;
l. Carry out such other functions as required under the applicable laws and as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate;

IT Strategy Committee:

The IT Strategy Committee was last reconstituted vide a resolution passed by the Board on October 21, 2022. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation on Committee	Designation
Manoj Kumar	Chairman	Independent Director
Sumit Kumar	Member	Nominee Director (Non-executive)
Udaya Kumar Hebbar	Member	Managing Director
Paolo Brichetti	Member	Non-Executive Director
Sudesh Puthran	Member	Chief Technology Officer

Name	Designation on Committee	Designation
Ravi Rathinam	Member	Chief Information Security Officer

The functions of the IT Committee include approval of IT strategies and policy documents, to ascertain whether the company's management has implemented processes / practices which ensure that IT delivers value to business, that the budgets allocated vis-à-vis IT investments are commensurate, monitor the method adopted to ascertain the IT resources needed to achieve strategic goals of the Company and to provide high-level directions for sourcing and use of IT resources.

The functions of the IT Committee include the following:

a. Approval of IT strategies and policy documents and ensuring that the management has put an effective strategic planning process in place;
b. Ascertaining whether the company's management has implemented processes and practices which ensure that IT delivers value to business;
c. To formulate and periodically review IT / IS policies as stipulated under RBI IT framework / circulars / guidelines issued from time to time.
d. To ensure that IT investments represent a balance of risks and benefits and that budgetary allocations are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; are acceptable;
e. Be satisfied that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has well defined objectives and unambiguous responsibilities for each level in the organization
f. To oversee the Business Continuity Planning and Disaster Recovery Management of the organisation on a periodical basis;
g. To ensure that IT capacity planning across all components, services, system resources, supporting infrastructure is consistent with the current business requirements and projected future needs;
h. To analyse major IT projects placed before the Committee, from a strategic and cost/reward perspective;
i. Monitoring the method adopted to ascertain the IT resources needed to achieve strategic goals of the Company and providing high-level directions for sourcing and use of IT resources;
j. Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.
k. Annual assessment of capacity vis-a-vis the expectations, with sufficient safety margin;
l. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
m. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
n. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
o. Periodically reviewing the outsourcing strategies and all existing material outsourcing arrangements and effectiveness of policies and procedures;
p. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
q. Ensuring an independent review and audit in accordance with approved policies and procedures;
r. To communicate significant risks in outsourcing to the Board on a periodical basis;
s. Ensuring that contingency plans have been developed and tested adequately; and
t. Carry out such other functions as required under the applicable laws and as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate;

*Executive, Borrowings & Investment committee ("**EBI Committee**")*

The EBI Committee was last reconstituted vide a resolution passed by the Board on July 21, 2023. As on the date of this Tranche II Prospectus, it comprises of:

Name	Designation on Committee	Designation
Udaya Kumar Hebbar	Chairman	Managing Director
Manoj Kumar	Member	Independent Director
Balakrishna Kamath	Member	Chief Financial Officer
Ganesh Narayanan	Member	Chief Executive Officer

The broad terms of reference of the EBI Committee are:

a. To borrow money or avail credit facilities in any form whatsoever, up to the amount as approved by the Shareholders, from either domestic or international lenders, denominated either in Indian Rupees or any other foreign currency, as may be required from time to time and to do such acts, deeds and things as may be considered necessary by the Committee to avail the said loans, which includes creation of security, execution of derivative transactions and agreements for loan, creation of security, hedging, filing of charge documents with authorities, execute, modify charge and any other related documents with lenders and other counter parties, whether with or without affixation of common seal of the Company, and to determine any terms in respect thereof from time to time;
b. to issue securities for raising debt (including without limitation, non-convertible debentures including amendments / modifications to the issuances made in the past (whether (i) subordinated, (ii) listed or unlisted, (iii) senior secured, (iv) senior unsecured, (v) unsecured, (vi) any others (as may be determined, including any covered debentures and market linked debentures) and commercial papers (whether listed or unlisted)) ("**Debentures**") and which may or may not be rated (as may be determined), of such face value as may be determined up to the aggregate amount determined by the Board of Directors from time to time, and to determine any terms and conditions in respect thereof including the security, rate of interest, tenure and other terms and conditions and to accept any amendments, modifications, variations or alterations thereto, to make the allotment of the Debentures and the redemption of the Debentures on maturity or early redemption or conditional redemption, if any, from time to time;
c. collateralising/ securing the amounts to be raised pursuant to any tranche/issue of Debentures together with all interest and other charges thereon (within such time period, at such ranking/priority and up to such limits and security cover as may be agreed) by one or more of the following (i) hypothecation of certain identified loans/book debts (and/or other assets) of the Company, and/or (ii) such other security or contractual comfort as may be required in terms of the issuance of any tranche/issue of the Debentures, and (if so required in respect of any covered debentures) assigning/transferring such assets of the Company (including the loan receivables/book debts of the Company) and providing contribution(s) to such person(s) as may be determined, and up to such thresholds and limits as may be required pursuant to the terms of any tranche/issue of the Debentures, and to determine any terms in respect thereof from time to time;
d. to do all acts, deeds, matters and things, as may be necessary for securing the amounts and the interest thereon including but not limited to sign and execute the necessary deeds, purchase agreements, other agreements and other papers and documents; to file application, appeal, affidavit, addendum, corrigendum or such other documents with Central Government/ Regional Director or such other Statutory/ Regulatory Authorities as may be required for condonation with regard creation, filing, registration and perfection of security documents and also to authorise the various persons for the said purposes;
e. to appoint and enter into arrangements with one or more Debenture Trustees, Credit Rating Agency(ies), Brokers, Registrar and Transfer Agents, if any, and other agencies or persons or intermediaries required for the issue of securities and to negotiate and finalise the terms of their appointment, including but not limited to changing and/or substituting any one or more of the above agencies, execution of the Mandate Letters, negotiation, finalisation and execution of the Debenture Trust Deed, Memorandum of Understanding/Agreements with various intermediaries;
f. to remunerate aforesaid agencies including the payment of commissions, brokerage, fees etc.;
g. assigning/transferring such assets of the Company (including the loan receivables/book debts of the Company) in respect of any direct assignment or securitisation transaction that the Company is party to as an originator and to determine, agree and finalise the terms of any direct assignment or securitisation transaction that the Company is party to, and to determine any terms in respect thereof from time to time;
h. to approve the preliminary as well as the final Shelf Information Memorandum / Offer Document / Draft Prospectus/ Draft Shelf Prospectus / Shelf Prospectus / Tranche Prospectus(es) / Term Sheet / Supplementary Information Memorandum / other agreements / deeds and documents, as may be required or desirable for the proposed issue of debt securities;
i. to invest funds of the Company, and to determine any terms in respect thereof from time to time;
j. to issue debenture certificate(s)/allotment advice cum intimation, credit the Debentures to the beneficiary accounts;
k. approval of the Reformatted Financial Statements along with the examination reports, notes, schedules, annexures, Special Purpose Unaudited Financial Statements/Limited Review Financial Statements/ Condensed Financial Statements or such other format of Financial Statements of the Company as may be required from time to time;
l. to lend money, and to determine any terms in respect thereof from time to time;
m. to open, operate and close of the bank accounts, demat accounts, escrow accounts with Scheduled Commercial Banks, Institutions or Agencies of the Company;
n. admission of the NCDs in dematerialise mode with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and to sign agreements and/or such other documents, as may be required with NSDL, CDSL and such other agencies, authorities or bodies, as may be required in this connection;
o. to make applications to BSE Limited and / or National Stock Exchange of India Limited and / or any stock exchange

for listing of the NCDs, accepting any alterations/modifications in the said applications and to execute and to deliver or arrange the delivery of necessary documentation to the concerned Stock Exchange(s);

p. to authorise any Director, Key Managerial Personnel and others to sign and execute the above documents, Debenture Trust Deed, agreements, deeds, documents and other necessary papers to be executed with aforesaid intermediaries, agencies, parties, etc., for and on behalf of the Company together with the authority to vary, amend or modify the same as such authorised person may consider necessary, desirable or expedient in the interest of the Company and for the aforesaid purpose, to give such declarations, affidavits, certificates, etc. as such authorised person deem fit and to do all acts, deeds, matters and things, as may be necessary;

q. to settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;

r. any other matter as may be specified by the Board from time to time.

OUR PROMOTER

The Promoter of our Company is:

CreditAccess India B.V. (formerly, CreditAccess India N.V.)

Registered office:	Strawinskylaan 1043, tower C-10, 1077 XX Amsterdam
Date of Incorporation:	March 20, 2014
Place of Registration:	Chamber of Commerce in Amsterdam
Registration number:	60281758
PAN:	AAJCM2225K

As on June 30, 2023, our Promoter holds 10,61,09,028 Equity Shares equivalent to 66.77% of the Equity Share capital of our Company.

Profile of our Promoter

CreditAccess India B.V. (formerly, CreditAccess India N.V.)

CreditAccess India B.V. is a company with limited liability governed by the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, registered with the Commercial Register of the Dutch Chamber of Commerce under number 60281758 ("**CAI**"). CAI's (the "**Articles of Association**") were lastly amended on November 24, 2022. As a consequence of the amendment of the Articles of Association to the Demerger Deed, CAI's name has been changed into CreditAccess India B.V. from CreditAccess Asia N.V.

Other Ventures:

Our Promoter continuously looks at opportunities to provide financial services to Indian families through suitable ventures and partnerships in order to fulfil its ambition to be the trusted partner of 10 million rural under-banked families in India. Our Promoter has investments in our Company, our Subsidiary and Promoter Group entities as listed below in "*Our Promoter- Promoter Group*" on page 170.

Board of Directors of CAI

Sr. No.	Name of Director	Designation
1.	Francesco Moccagatta	Chairman-Independent
2.	Paolo Brichetti	Non-Executive Director
3.	Daniel Mintz	Non-Executive Director
4.	Michael Atzwanger	Non-Executive Director
5.	Federico Carini	Non-Executive Director
6.	Benedetta Corazza	Non-Executive Director-Independent
7.	Lamberto Cremonesi	Non-Executive Director
8.	Stefania Petruccioli	Non-Executive Director-Independent
9.	Koen Slobbe	CEO

Shareholding Pattern of CAI as on June 30, 2023

Name of shareholder	Number of Shares	%
Olympus ACF Pte. Limited	70,59,917	15.40%
Asian Development Bank	40,16,871	8.76%
Asia Impact Invest SA	40,15,869	8.76%
Conferenza Episcopale Italiana	37,26,380	8.13%
243 other shareholders holding less than 5%	2,70,21,531	58.95%
Total	**4,58,40,568**	**100.00%**

Other understanding and confirmations

The Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the Promoters and Permanent Account Number of Directors has been submitted to the Stock Exchanges, at the time of filing the Draft Shelf Prospectus with the Stock Exchanges.

Our Promoter has confirmed that neither it nor its directors have been identified as Wilful Defaulters by the RBI or any other governmental authority and is not a Promoter or a whole-time director of any such company which has been identified as a Wilful Defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months. Further, no members of our Promoter Group have been identified as Wilful Defaulters.

Our Promoter has not been declared as a fugitive economic offender.

No violation of securities laws has been committed by our Promoter in the past and no regulatory action before SEBI or RBI is currently pending against our Promoter except as disclosed in section titled "*Outstanding Litigations*" on page 290.

Our Promoter was not a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Tranche II Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoter and Promoter Group is not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

No benefit or interest will accrue to our Promoters out of the objects of the Issue.

Common pursuits of our Promoter

Our Promoter and/ or its affiliates have invested or may invest in other companies globally, engaged in similar businesses, thereby giving rise to a conflict of interest and accordingly, there are certain common pursuits between the Promoter and our Company. Our Company currently does not see this as a conflict of interest situation and will adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations as and when they arise. For more details, please see section titled "*Risk Factors*" on page 20.

Interest of our Promoter in our Company

Except as stated under the chapter titled "*Related Party Transactions*" beginning on page 171, and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company's business.

Further as on June 30, 2023, our Promoter has not guaranteed/secured any bank facilities sanctioned by our Company.

Our Promoter does not intend to subscribe to this Tranche II Issue.

Our Promoter has no financial or other material interest in the Tranche II Issue and no benefit / interest will accrue to our Promoter or Promoter Group out of the objects of the Issue.

Payment of benefit to our Promoter in last three fiscal years

Other than as disclosed under the *"Related Party Transactions"*, available at page 171, our Company has not made any payments of any benefits to the Promoter during the last three fiscals preceding the date of this Tranche II Prospectus.

Interest of our Promoter in property, land and construction

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Tranche II Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Promoter Group

1. CreditAccess Life Insurance Limited
2. CA-SEC BV (Netherlands)
3. CreditAccess India Foundation

Details of Equity Shares allotted to our Promoter during the last three Fiscal Years

Our Promoter has not been allotted any Equity Shares of our Company during the last three Fiscal Years.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Financial Information*" on page 186.

Related party transactions entered during the preceding three financial years with regard to loans made or, guarantees given or securities provided

(₹ in crore)

Name of the Related Party	Loans made			Guarantees given			Securities Provided		
	FY 2022-23*	FY 2021-22*	FY 2020-21#	FY 2022-23*	FY 2021-22*	FY 2020-21#	FY 2022-23*	FY 2021-22*	FY 2020-21#
NIL									

* *Fiscal 2023 is as per audited standalone financial statements of Fiscal 2023 and Fiscal 2022 numbers are as per comparative figures of Fiscal 2022 as appearing in the audited standalone financial statements of Fiscal 2023 unless otherwise stated separately.*

\# *Fiscal 2021, numbers are arrived at by combining the audited standalone financial statements as at and for the years ended March 31, 2021 of the CreditAccess Grameen Limited (the "Company"/"CAGL") and audited standalone financial statements as at and for the year March 31, 2021 of Madura Micro Finance Limited ('MMFL') and the accounting adjustments required as per the Scheme of Amalgamation between MMFL being the transferor company.*

Related party transactions entered during the current financial year with regard to loans made or, guarantees given or securities provided

(₹ in crore)

Name of the Related Party	Loans made	Guarantees given	Securities Provided
NIL			

REGULATIONS AND POLICIES

The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions, Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company and its subsidiary. The information detailed in this chapter has been obtained from publications available in the public domain. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The major regulations governing our Company are detailed below:

On October 22, 2021 RBI issued a Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ("**SBR Framework**"), whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI (i) NBFC- Base Layer ("**NBFC-BL**"); (ii) NBFC- Middle Layer ("**NBFC-ML**"); (iii) NBFC- Upper layer ("**NBFC-UL**"); and (iv) NBFC- Top Layer ("**NBFC-TL**").

Pursuant the SBR Framework the criteria of asset size of non-deposit NBFCs for classification as non-systemically important has been increased from ₹50,000 lakh to ₹1,00,000 lakh ("**NBFC-ND**"). Therefore, non-deposit NBFCs with asset size of over ₹1,00,000 lakh will be considered as systemically important by the RBI ("**NBFC-ND-SI**"). The SBR Framework came into effect from October 01, 2022 and provides that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be.

As on date of filing of this Draft Prospectus the Company falls under the category of NBFC-ML, as its assets size is above ₹ 1,00,000 lakh, as per the last audited balance sheet. SBR Framework provide that NBFC-ML shall be subject to regulations as currently applicable to NBFC-ND-SI, except for the regulatory changes under SBR Framework applicable on NBFC-ML.

As per the RBI Act, a financial institution has been defined as any non-banking institution carrying on as its business or part of its business the financing, whether by way of making loans or advances or otherwise, of any activity, other than its own; acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature; letting or delivering any goods to a hirer under a hire- purchase agreement; insurance business; chit business; and collecting monies in any manner from such persons, and disbursing money to such persons from whom monies are collected or any other person, but does not include any institution whose principal business is that of any agricultural operation, industrial activity, the sale/purchase of goods other than securities, providing any service or the sale/purchase/construction of immovable property.

Any financial institution which is a company, or any non-banking institution which is a company and which has as its principal business the receiving of deposits or lending in any manner is to be treated as an NBFC. Since the term 'principal business' has not been defined under the RBI Act, the RBI has clarified through a press release (Ref. No. 1998-99/ 1269) in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determining factor for principal business of a company.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration ("**CoR**"). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, RBI vide notification No. DNBS (PD)No.CC.10/02.59/98-99 dated April 20, 1999 raised the requirement of minimum net owned fund from ₹ 0.25 crores to ₹ 2 crores for the NBFC which commences business of a non- banking financial institution on or after April 21, 1999. Further, every NBFC is required to submit to the RBI a certificate every year, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 31st of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR under section 45-IA of the RBI Act. Further as per RBI Scale based regulation (SBR) circular dated October 22, 2021 it shall be mandatory for NBFC ICC to achieve NOF of ` 5 crore by the end of March 31, 2025 and ` 10 crore by March 31, 2027.

I. *Regulation of Systemically Important NBFCS Registered with the RBI*

Systemically important NBFCs are primarily governed by the RBI Act, 1934 ("**RBI Act**"), Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("**Master Directions**") and the Master Direction on Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 ("**Public Deposit Directions**") in case the NBFC is permitted to accept public deposits. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

II. *Types of NBFCs*

NBFCs have been classified on the basis of the types of liabilities they access, types of activities they pursue and their perceived systemic importance.

(a) Liabilities-based classification

NBFCs are classified on the basis of liabilities into two broad categories – a) deposit taking and b) non-deposit taking. Deposit taking NBFCs (NBFC – D) are subject to requirements of stricter capital adequacy, liquid assets maintenance, and exposure norms etc.

Further, in 2015, non-deposit taking NBFCs with asset size of Rs 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' (NBFC – ND – SI) and separate prudential regulations were made applicable to them.

(b) Activity-based classification

As per the RBI notification dated February 22, 2019, the RBI merged the three categories of NBFCs viz. Asset Finance Companies (AFCs), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC – Investment and Credit Company (NBFC- ICC) with the below definition: "Investment and Credit Company – (NBFC-ICC)" means any company which is a financial institution carrying on as its principal business – asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities; and is not any other category of NBFC as defined by RBI in any of its Master Directions.
Within this broad categorization the different types of NBFCs are (a) investment and credit companies, (b) infrastructure finance companies, (c) infrastructure debt fund, (d) NBFC – micro finance institutions, (e) NBFC – factors, (f) NBFC – non-operative financial holding company, (g) systemically important core investment companies and (h) mortgage guarantee companies.

III. *Types of Activities that NBFCs are permitted to carry out*

Although, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

(a) an NBFC cannot accept deposits repayable on demand;
(b) NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
(c) deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

IV. *Regulatory requirements of an NBFC under the RBI Act*

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹200 lakh. SBR Framework has incrementally revised the net owned fund requirement for the systemically important NBFCs with customer interface or public funds and provides following timeline for achieving the net owned fund: (i) that minimum net owned fund requirement of ₹ 500 lakh by March 31, 2025; and (ii) ₹ 1000 lakh by March 31, 2027. For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

(i) investment by such companies in shares of (i) its subsidiary, (ii) companies in the same group, (iii) other NBFCs; and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiary of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10 per cent of (a) above.

Further as per RBI circular on Scale based regulation (SBR) dated October 22, 2021 it shall be mandatory for NBFC ICC. In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Master Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹10,000 lakhs or more or holding public deposits of ₹2,000 lakhs or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

NBFCs shall constitute grievance redressal machinery as contained in RBI's circular on Grievance Redressal Mechanism, vide DNBS. CC. PD. No. 320/03.10. 01/2012-13 dated February 18, 2013 which states that at the operational level, all NBFCs shall display the name and contact details of the grievance redressal officer prominently at their branches/ places where business is transacted. The designated officer shall ensure that genuine grievances of customers are redressed promptly without involving any delay. It shall be clearly indicated that NBFCs' grievance redressal machinery shall also deal with the issue relating to services provided by the outsourced agency. Generally, a time limit of 30 (thirty) days may be given to the customers for preferring their complaints/ grievances. The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.

V. *Master Directions*

The Master Directions contain detailed directions on prudential norms for 'applicable NBFCs' (as defined therein), and specifically for Non-Banking Finance Company-Micro Finance Institutions having an asset size of ₹ 500 crores or more ("**NBFC-MFIs**") under Chapter-IX. The Master Directions, amongst other requirements prescribe guidelines for income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements and concentration of credit/investment and pricing of credit, transparency in interest rates for applicable NBFCs, including NBFC-MFIs.

(a) Entry Point Norms

Chapter IX of the Master Directions require every company seeking registration as an NBFC-MFI to have a minimum net owned fund ("**NOF**") of ₹ 5 crores (except the companies in the North Eastern Region of India which will require to have a NOF of ₹ 2 crores till further notice) and to comply with all other criteria as applicable to NBFC-MFIs.

(b) Asset Classification

The Master Directions require that every applicable NBFC (except NBFC-Micro Finance Institutions) shall after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease/hire purchase assets, loans and advances and any other form of credit into the following classes:

- Standard assets;
- Sub-standard assets;
- Doubtful assets; and
- Loss assets.

Such class of assets shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. Further, as per the Master Directions, the asset classification norms for applicable NBFCs are given below:

– A standard asset shall mean the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business;
– A sub-standard asset shall mean (1) an asset that has been classified as a non-performing asset ("**NPA**") for a period not exceeding 12 months for the financial year ending March 31, 2018 and thereafter or (2) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms.
– A doubtful asset shall mean a term loan, a lease asset, a hire purchase asset or any other asset that has remained a sub-standard asset for a period exceeding 12 months for the financial year ending March 31, 2018 and thereafter.
– Loss asset means:
  (i) an asset which has been identified as loss asset by the applicable NBFC or its internal or external auditor or by the RBI during the inspection of the applicable NBFC, to the extent it is not written off by the applicable NBFC; and
  (ii) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(c) 'Non-preforming asset' is defined as:

- an asset, in respect of which, interest has remained overdue for a period of three months or more;

- a term loan inclusive of unpaid interest, when the instalment is overdue for a period of three months or more or on which interest amount remained overdue for a period of three months or more;

- a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of three months or more;

- a bill which remains overdue for a period of three months or more;

- the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of three months or more;

- any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of three months or more;

- the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/ advances, which facility remained overdue for a period of three months or more;

- any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of three months or more;

- the lease rental and hire purchase instalment, which has become overdue for a period of three months or more;

- in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower;

- However, for the purpose of asset classification by NBFC-MFIs:

  - Standard assets' means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which neither discloses any problem nor carries more than normal risk attached to the business;

  - 'Non-performing asset' means an asset for which interest/principal payment has remained overdue for a period of 90 days or more.

  - Subject to the definition of 'standard asset' and 'non-performing asset' mentioned above and other applicable provisions of Chapter IX of the Master Directions, all other asset classifications requirements applicable to NBFCs pursuant to the Master Directions also apply to NBFC-MFIs.

(d) Acquisition or transfer of control

NBFC-MFIs are required to obtain prior written permission of RBI for, (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid up equity capital except for any shareholding going beyond 26% due to buyback of shares or reduction in capital where it has approval of a competent court, and (c) any change in the management of the NBFC-MFIs which results in change in more than 30% of the directors, excluding independent directors. However, prior approval shall not be required for directors who get re-elected on retirement by rotation.

(e) Capital Adequacy Norms

All NBFC-MFIs are required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital which should not be less than 15% of its aggregate risk weighted assets and the total of Tier II Capital at any point of time, shall not exceed 100% of Tier I Capital.

(f) Provisioning Norms

a. The Master Directions require the provisioning norms in relation to the portfolio for the state of Andhra Pradesh to be in line with paragraph 13 of the Master Directions.

b. For non-Andhra Pradesh portfolio, the aggregate loan provision to be maintained by all NBFC- MFIs at any point of time should not be less than the higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

c. All other provisions contained in Chapter V of the Master Directions (including with respect to capital adequacy and provisioning norms), as long as they are not contradictory to what is stated in Chapter IX, shall be applicable to NBFC-MFIs.

d. An NBFC which does not qualify as an NBFC-MFI shall not extend loans to micro finance sector, which in aggregate exceeds 25% of its total assets.

(g) Transparency in Interest Rates and pricing of credit

To ensure fair practice in lending, NBFC-MFIs are permitted to have only three components in the pricing of loans viz., the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof). They are not permitted to charge penalty on delayed payments or to collect any security deposit/ margin from their borrowers. NBFC-MFIs are required to have a standard form of loan agreement, and provide borrowers with a loan card reflecting the effective rate of interest, other terms and conditions attached to the loan, information which adequately identifies the borrower, acknowledgements by the NBFC-MFI of all repayments including instalments received and final discharge and whether the loan is classified as "Qualifying Asset". Further, all entries in the loan card shall be in vernacular language and the effective rate of interest charged by the NBFC-MFIs are required to be prominently displayed in all offices and websites of, and all literature issued by the NBFC-MFIs.

(h) Multiple-lending, Over-borrowing and Ghost-borrowers

NBFC-MFIs can lend to individual borrowers who are not member of Joint Liability Group ("**JLG**")/Self Help Group("**SHG**") or to borrowers that are members of JLG/SHG, subject to the following conditions:

(i) a borrower cannot be a member of more than one SHG/JLG.
(ii) not more than two NBFC-MFIs shall lend to the same borrower.
(iii) there must be a minimum period of moratorium between the grant of the loan and the due date of the repayment of the first instalment. The moratorium shall not be less than the frequency of repayment e.g. in the case of weekly repayment, the moratorium shall not be less than one week.
(iv) recovery of loan given in violation of the regulations shall be deferred till all prior existing loans are fully repaid.
(v) All sanctioning and disbursement of loans should be done only at a central location and more than one individual should be involved in this function. Additionally, there should be close supervisors of the disbursement function.

(i) Ensuring compliance with conditionalities

The Master Directions require every NBFC-MFI to be a member of all Credit Information Companies ("**CICs**") established under the CIC Regulation Act 2005, provide timely and accurate data to the CICs and further use the data available with them to ensure compliance with the conditions regarding membership of SHG/ JLG, level of indebtedness and sources of borrowing.

(j) Channelizing Agents for Schemes operated by Central/State Government Agencies

The Master Directions state that disbursal of loans by NBFC-MFIs in the capacity of channelizing agents for schemes operated by the central/state government agencies will be considered as a separate business segment and that such loans shall not be included within either qualifying assets or total assets for the purpose of determining compliance with the minimum qualifying assets criteria. Further, NBFC-MFIs may act as channelizing agents for distribution of loans under special schemes of Central/State Government Agencies subject to the conditions laid down in chapter IX of the Master Directions.

(k) Geographical Diversification

NBFC-MFIs are required to fix internal exposure limits in order to avoid any undesirable concentration in specific geographical locations.

(l) Formation of SRO

All NBFC-MFIs are required to become a member of at least one Self-Regulatory Organization ("**SRO**") which is recognized by the RBI and are also required to comply with the code of conduct prescribed by such SRO. Further, the SRO as recognized by the RBI shall adhere to a set of functions and responsibilities as laid down in the Master Directions as amended from time to time.

(m) Asset Liability Management

RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs, ("**ALM Guidelines**") that are applicable to all NBFCs through its Guidelines on "Asset Liability Management (ALM) System for NBFCs" dated June 27, 2001 ("**ALM Circular**"). As per the ALM Circular, the applicable NBFCs with an asset base of ₹ 100 crores , irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 20 crores or more (irrespective of the asset size) as per their last audited balance sheet, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Pursuant to its circular dated November 4, 2019, the RBI has issued the 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies' (the "**LRM Guidelines**") in order to strengthen and raise the standard of the ALM framework applicable to NBFCs. The LRM Guidelines are required to be adhered to by all non-deposit taking NBFCs with asset size of ₹ 100 crores and above, systemically important Core Investment Companies and all deposit taking NBFCs (irrespective of their asset size). Further, all non-deposit taking NBFCs with asset size of ₹100 billion and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of the liquidity coverage ratio by ensuring that they have sufficient high quality liquid asset ("**HQLA**") to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024. All non-deposit taking NBFCs with asset size of ₹ 50 billion and above but less than ₹ 100 billion shall also maintain the required level of liquidity coverage ratio starting December 1, 2020 with the minimum HQLAs to be held being 30% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024.

(n) Fair Practices Code

The Master Directions prescribe a fair practices code that is required to be adhered to by applicable NBFCs, (including NBFC-MFIs) and *inter alia,* includes the following:

(i) All communications to the borrower to be made in the vernacular language or a language as understood by the borrower
(ii) Inclusion of necessary information affecting the interest of the borrower in the loan application form.
(iii) Devising a mechanism to acknowledge receipt of loan applications and indicating a time frame within which such loan applications are to be disposed.
(iv) Conveying, in writing, to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions thereof. The acceptance of such terms and conditions should be kept on record by the NBFC.
(v) Giving notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. and ensuring that changes in interest rates and charges are effected only prospectively. The decision to recall payment or performance under the agreement shall be in consonance with the loan agreement. Additionally, applicable NBFCs shall release all securities on reoayment of all dues subject to any legitimate right or lien. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars.
(vi) Refraining from interfering in the affairs of the borrowers except for the purposes provided in the terms and conditions of the loan agreement.
(vii) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise shall be conveyed within 21 days from the date of receipt of such request.
(viii) Not resorting to undue harassment in the matter of recovery of loans.
(ix) Not charging foreclosure charges/pre-payment penalties on any floating rate term loan sanctioned for non-business purposes to individual borrowers.
(x) Lay down an appropriate grievance redressal mechanism for resolving disputes.
(xi) Periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such views shall be submitted to the board of directors at regular intervals, as may be prescribed by it.
(xii) Comply with fair practices that are specific to them (such as for NBFC-MFIs).

(o) Corporate Governance Guidelines

The Master Directions prescribed certain corporate governance norms required to be adhered to by applicable NBFCs. The Master Directions, *inter alia*, provide for constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee and certain other norms in connection with disclosure and transparency. Further, applicable NBFCs with asset size of more than ₹50 billion in categories – investment and credit companies, infrastructure finance companies, micro finance institutions, factors and infrastructure debt funds are required to appoint a chief risk officer ("**CRO**") with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management. In this regard, NBFCs are required to strictly adhere to the instructions laid down in Chapter XI of the Master Directions.

(p) Norms for Excessive Interest Rates

The Master Directions directed all applicable NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the Master Directions regulates the rates of interest charged by such NBFCs. These directions stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium to determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. This is also required to be made available on the NBFCs' website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

(q) The Ombudsman Scheme for Non-Banking Financial Companies, 2018 ("NBFC Ombudsman Scheme")

The RBI has introduced an ombudsman scheme for customers of NBFCs. The NBFC Ombudsman Scheme is an expeditious and cost free apex level mechanism for resolution of complaints of customers of NBFCs registered with RBI under Section 45-IA, relating to deficiency in certain services rendered by NBFCs. The offices of the NBFC Ombudsmen operates at four metro zones, i.e., Chennai, Kolkata, Mumbai and New Delhi and it handles complaints of customers in the respective zones. The NBFC Ombudsman Scheme provides for an appellate mechanism under which the complainant/NBFC has the option to appeal against the decision of the ombudsman before the appellate authority.

(r) KYC Guidelines

The RBI has issued a Master Direction on Know Your Customer (KYC) Direction dated February 25, 2016, as amended, ("**KYC Guidelines**") and advised all regulated entities (including NBFCs) to adopt such guidelines with suitable modifications depending upon the activities undertaken by them and ensure that a proper policy framework on KYC standards duly approved by the board of directors or any committee of the board of directors is put in place. The KYC policies are required to have certain key elements such as customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. Persons authorised by NBFCs for collecting the deposits and their brokers/agents shall be fully compliant with the KYC Guidelines applicable to NBFCs.

(s) Information Technology Framework

Reserve Bank of India has issued Master Direction – Information Technology Framework for the NBFC Sector dated June 8, 2017 ("**IT Directions**"). The focus of the IT direction is on information technology governance, information technology policy, information and cyber security, information technology operations, information security audit, business continuity planning and information technology services outsourcing. These directions are categorized into two parts, those which are applicable to all NBFCs with asset size above ₹ 500 crores (considered as systemically important) and directions for NBFCs with asset size below ₹ 500 crores . The IT Directions, *inter alia*, mandate NBFCs to form an information technology strategy committee, to formulate an information technology policy, and ensure that the IT systems have information security and cyber security. The IT Directions also prescribe the time frame within which the mandated activities should be completed by the NBFC.

(t) Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs dated November 9, 2017

The RBI has specified the activities and financial services that cannot be outsourced by NBFCs, and provided the bases for deciding materiality of outsourcing. These directions lay down the regulatory and supervisory requirements and risk management practices to be adhered to by the NBFCs, including the adoption of a comprehensive outsourcing policy by the board of such NBFCs. The outsourcing of any activity by an NBFC does not diminish its obligations, and those of its board and senior management. Further, such NBFCs are required to have a robust grievance redress mechanism, which in no way shall be compromised on account of outsourcing.

(u) Anti-Money Laundering

The Prevention of Money Laundering Act, 2002 ("**PMLA**") was enacted to prevent money-laundering and to provide for confiscation of property derived from or involved in, money-laundering and for matters connected therewith or incidental thereto. The Government of India under PMLA has issued the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, as amended ("**PML Rules**"). PMLA & PML Rules extends to all banking companies and financial institutions, including NBFCs and intermediaries.

Further the KYC Guidelines ensure that a proper policy frame work for the PMLA and PML Rules is put in place. Pursuant to the provisions of PMLA, PML Rules and the RBI Master Circular – KYC Guidelines.

– Anti Money Laundering Standards – PMLA, 2002 – Obligations of NBFCs dated July 1, 2013, all NBFCs are advised to appoint a principal officer for internal reporting / reporting to Financial Intelligence Unit – India (FIU-IND) of suspicious transactions and cash transactions and to maintain a system of proper record

(i) all cash transactions of value of more than ₹ 0.1 crores – or its equivalent in foreign currency; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 0.1 crores or its equivalent in foreign currency, where such series of transactions have taken place within a month and the aggregate value of such transaction exceeds ₹ 0.1 crores ; (iii) all transactions involving receipts by non- profit organisations of value more than ₹ 0.1 crores , or its equivalent in foreign currency; (iv) all cash transactions where forged or counterfeit currency notes have been used. The NBFCs shall also appoint a designated director who shall be responsible for ensuring overall compliance as required under the PMLA and the PML Rules.

The KYC Guidelines also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The KYC Guidelines were updated on 20 April 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 01, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The KYC Guidelines were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. Also, NBFCs should maintain all necessary records of transactions with the customers, both domestic and international, for at least ten years from the date of cessation of transaction. The identification records and transaction data are to be made available to the competent authorities upon request.

(v) Guidelines on Securitization of Standard Assets

The RBI through its Master Directions provided the guidelines on securitization of standard assets. Further, the guidelines provides that loans can only be assigned or securitized if the NBFC has held them in their books for a specified minimum period. The guidelines also provide a minimum retention requirement for securitization and assignment transactions. However, in order to encourage NBFCs to securitise/assign their eligible assets, the RBI pursuant to the circular dated November 29, 2018, relaxed the Minimum Holding Period (MHP) requirement for originating NBFCs, in respect of loans of original maturity above 5 years, to receipt of repayment of six monthly instalments or two quarterly instalments (as applicable). The said dispensation was initially applicable till six months from the date of issuance of the circular. However, the RBI vide its circular dated May 29, 2019 had extended the dispensation till December 31, 2019, and subsequently vide its circular dated December 31, 2019 had extended the dispensation till June 30, 2020.

Certain requirements are to be met by the originating NBFCs on transactions involving transfer of assets through direct assignment of cash flows and the underlying securities. NBFCs can transfer a single standard asset or a part of such asset or a portfolio of such assets to financial entities through an assignment deed with the exception of (i) revolving credit facilities (e.g., credit card receivables); (ii) assets purchased from other entities; (iii) assets with bullet repayment of both principal and interest. However, these guidelines shall not apply to: (i) transfer of loan accounts of borrowers by an NBFC to other NBFCs/ FIs /banks and vice versa, at the request/ instance of borrower; (ii) trading in bonds; (iii) sale of entire portfolio of assets consequent upon a decision to exit the line of business completely. Such a decision shall have the approval of board of directors of the NBFC; (iv) consortium and syndication arrangements; (v) any other arrangement/ transactions, specifically exempted by the Reserve Bank of India.

In order to limit the extent of effective control of transferred assets by the seller in the case of direct assignment transactions, NBFCs shall not have any re-purchase agreement including through clean-up calls on the transferred assets.

(w) External Commercial Borrowings (ECB) Policy

The Reserve Bank of India has, through the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (the "**ECB Policy**"), notified the external commercial borrowings framework. Few of the changes as per the ECB Policy are, NBFCs, being eligible entities to receive FDI, are permitted to raise ECB up to USD 750 million or equivalent in a financial year under the automatic route and exceeding USD 750 million or equivalent in a financial year under the approval route and the eligible borrowers have been expanded to include all entities eligible to receive FDI. Vide RBI Notification No. FEMA. 3(R)(3)/2022-RB, dated 28.07.2022, the automatic route limit stands temporarily increased from USD 750 million or equivalent to USD 1.5 billion or equivalent. This relaxation is available for ECBs to be raised till December 31, 2022.

The ECB Policy, *inter alia*, provides for various aspects of ECB transactions, including eligible borrowers, recognised lenders, route of the ECB, minimum average maturity period and all-in-cost ceiling per annum.

ML Master Directions – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 ("ML Master Directions")

The ML Master Directions cater to the unique requirements of the Microfinance space in India. It is applicable to all the institutions called as "regulated entities" consisting of following:

- All Commercial Banks (including Small Finance Banks, Local Area Banks, and Regional Rural Banks) excluding Payments Banks
- All Primary (Urban) Co-operative Banks/ State Co-operative Banks/ District Central Co-operative Banks; and
- All Non-Banking Financial Companies (including Microfinance Institutions and Housing Finance Companies).

Key Highlights:

(a) Definition of Microfinance Loans

Clause 3 of the ML Master Directions definition of the term:-

- The Microfinance Loan has been defined under the ML Master Directions as collateral free loan given to a household having annual income of ₹ 3 Lakhs. The term household has been defined as individual unit comprising of husband, wife and their unmarried children.

- Also, the definition of Microfinance Loan has been given a wider scope and it is provided that any collateral free loan given to house-hold unit having annual income up to ₹ 3 Lakhs irrespective of end use and mode of application/ processing/ disbursal will be considered as Micro Finance loan. Earlier annual income was demarcated separately for Rural and Urban household. In order to ensure that the loans stay collateral-free, RBI has suggested non-linkage of lien on deposit account of the borrowers with loans under this ML Master Directions.

(b) Assessment of Household Income

Clause 4 of the ML Master Directions lays down for assessment of household income by Board of Directors of Microfinance Institution.

- The Board of Directors of NBFC to approve policy on Assessment of Household Income. A sample assessment methodology has been provided under the Annexure- I which cover areas like composition of household, source of incomes etc. The methodology specifies following parameters to be taken into consideration while construing Income of Household:

  a. Household profile- includes information about members, amenities, assets of household

  b. Household income- Primary and other sources of Income

  c. Household expenses- Regular and irregular expenses (over the year)

  Also, all the entities engaged in micro finance mandatorily have to submit the household income information to the "Credit Information Companies".

(c) Limit on Loan Repayment Obligations of a Household

The direction also provides for board approved policy in regard to the repayment of the loan under Clause 5.

- Computation of loan repayment obligations shall include taking into account all outstanding loans (collateral-free microfinance loans as well as any other type of collateralized loans) of the household.
- The outflows capped at 50% of the monthly household income shall include repayments (including both principal as well as interest component) towards all existing loans as well as the loan under consideration.

(d) Pricing of Loans

Clause 6 of the ML Master Directions proposes on pricing of microfinance loans to cover the following particulars:

- A well-documented interest rate model/ approach for arriving at the all-inclusive interest rate;
- Delineation of the components of the interest rate such as cost of funds, risk premium and margin, etc. in terms of the quantum of each component based on objective parameters;
- The range of spread of each component for a given category of borrowers; and
- A ceiling on the interest rate and all other charges applicable to the microfinance loans.

Regulated Entities (RE) are required to disclose pricing related information to a prospective borrower in a standardised and simplified factsheet, as illustrated in Annexure II of the ML Master Directions. All type of fees and charges applicable for microfinance borrower, payable to RE and/ or its partner/ agent, are required to be clearly mentioned in the said factsheet, i.e. the borrower shall not be charged any amount which is not explicitly mentioned.

(e) Qualifying Assets Criteria

Under the earlier qualifying assets criteria1, an NBFC-MFI is required to have minimum 85 per cent of its net assets as 'qualifying assets'. The definition of 'qualifying assets' of NBFC-MFIs is now being aligned with the definition of 'microfinance loans' given at paragraph (a) above. The minimum requirement of microfinance loans for NBFC-MFIs also stands revised to 75 per cent of the total assets. Under the earlier guidelines, an NBFC that does not qualify as an NBFC-MFI, cannot extend microfinance loans exceeding 10 per cent of its total assets. The maximum limit on microfinance loans for such NBFCs (i.e., NBFCs other than NBFC-MFIs) now stands revised to 25 per cent of the total assets.

(f) Guidelines related to the recovery of Loans

The ML Master Direction's Clause 7.4 has provided for the accommodative approach to be adopted by the regulated entities while doing recovery of Loans. The ML Master Directions states that regulated entities should provide assistance and guidance if some difficulties are faced by borrower as part of Fair Practice Code. It also prohibits certain types of tactics which are considered to be of harsh nature. It also mandatorily provides for mechanism of grievance redressal related to loan recovery.

(g) Not for Profit Companies to register as NBFC-MFI

Not for Profit Companies registered under Section 8 of Companies Act, 2013 which deals in Micro Finance Loans are brought under the purview of the provisions of this ML Master Directions where the monthly loan obligations of a household does not exceed 50% of the monthly household income. Not For Profit Companies with asset size of less than ₹ 100 Crore are now required to register as NBFC-MFI within 3 months of notification of this ML Master Directions, as mentioned in Clause 9.

(h) Maximum Limit of Microfinance Loans by NBFC

The Reserve Bank has revised the maximum limit up to which a Non-Banking Financial Institution other than NBFC-MFI can issue Micro Finance Loans to 25% of Total Asset earlier it was 10%.

(i) Net Owned Fund Requirement

The Bank requires a NBFC- Microfinance Institution is also required to attain Net Owned Fund as per Scale Based Regulation issued by RBI for NBFCs at ₹ 10 crore. Reserve Bank provides glidepath to NBFCs to attain Net Owned Fund requirement by March 31, 2027. Further as per RBI circular on Scale based regulation (SBR) dated October 22, 2021 it shall be mandatory for NBFC ICC to achieve NOF of ` 5 crore by the end of March 31, 2025 and ` 10 crore by March 31, 2027.

Companies Act, 2013

The Companies Act, 2013 ("**Companies Act**") has been notified by the Government of India on August 30, 2013 (the "**Notification**"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹ 500 crores or more, or turnover of ₹ 100 crores or more or a net profit of ₹ 5 crores or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

Scale Based Classification

As per RBI circular dated October 22, 2021, the central bank introduced Scale Based Regulation (SBR) framework for classification of NBFCs along with the activity-based classification of NBFCs as per earlier regulations. The revised SBR framework shall be effective from October 01, 2022.

As per the revised framework NBFCs will be classified into four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer will be known as NBFC – Base Layer (NBFC BL), NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is expected to be empty and will be known as NBFC - Top Layer (NBFC - TL).

Base Layer – NBFC – BL shall comprise of (a). Non deposit taking NBFCs below asset size of Rs 1000 crore and (b). Following NBFCs – (i) NBFC P2P, (ii) NBFC–AA, (iii) NOHFC, and (iv) NBFCs not availing public funds and not having any customer interface.

Middle Layer – NBFC – ML shall comprise of (a). All deposit taking NBFCs irrespective of asset size, (b). Non- deposit taking with asset size of Rs 1000 crore and above and (c). Following NBFCs – (i) Standalone primary dealer (SPD), (ii) Infrastructure debt fund (IDF), (iii) Core investment companies (CIC), (iv) Housing finance companies (HFCs) and (v) Infrastructure finance companies (IFCs) Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice by RBI.

Upper Layer – NBFC–UL shall comprise of NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

Top Layer – NBFC–TL shall be populated only if in opinion of RBI there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall be moved to Top layer from the Upper layer.

SEBI Regulations

The Securities and Exchange Board of India ("SEBI") governs listed entities pursuant to the powers granted to it under the Securities and Exchange Board of India Act, 1990, as amended from time to time. In pursuance of these powers, SEBI prescribes regulations with respect to listed entities, ensuring high standards of investor safety and corporate governance. SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("***SEBI NCS Regulations***")

The Securities and Exchange Board of India, on August 9, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations ("**SEBI Debt Regulations**") and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("NCRPS Regulations") into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e. from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non- convertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

*SEBI Master Circular for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) on August 10, 2021, as amended from time to time ("**SEBI Master Circular**").*

Following the SEBI's notification of the SEBI NCS Regulations, to merge the SEBI Debt Regulations and the NCRPS Regulations into a single regulation, SEBI has issued the SEBI Master Circular.

Since the notification of the SEBI Debt Regulations and the NCRPS Regulations, SEBI had issued multiple circulars covering the procedural and operational aspects of the substantive law in these regulations. Therefore, the process of merging these regulations into the SEBI NCS Regulations also entails consolidation of the related existing circulars into a single SEBI Master Circular, in alignment with the NCS Regulations. The stipulations contained in such circulars have been detailed chapter-wise in the SEBI Master Circular. Accordingly, the circulars listed at Annex - 1 of the SEBI Master Circular, stand superseded by the SEBI Master Circular.

<u>*Other applicable laws:*</u>

In addition to the above, we are required to comply with the Companies Act, regulations notified by the SEBI, IRDAI, labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

Shops and establishments regulations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour laws

India has stringent labour related legislations. Our Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual property regulations

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL INFORMATION

The Reformatted Financial Information (as defined under the Shelf Prospectus) was disclosed in the Shelf Prospectus and consisted of Reformatted Standalone Financial Information (as defined under the Shelf Prospectus) and Reformatted Consolidated Financial Information (as defined under the Shelf Prospectus). The Reformatted Standalone Financial Information was prepared from the Audited Standalone Financial Statements for Fiscal 2022, Audited Standalone Financial Statements for Fiscal 2021 and audited standalone financial statements for Fiscal 2020 prepared in accordance with Ind AS, audited by S.R. Batliboi & Co. LLP and which have been approved by the Board of Directors of our Company at their meeting dated May 30, 2020. The Reformatted Consolidated Financial Information was prepared from the Audited Consolidated Financial Statements for Fiscal 2022, Audited Consolidated Financial Statements for Fiscal 2021 and audited consolidated financial statements for Fiscal 2020 prepared in accordance with Ind AS, audited by S.R. Batliboi & Co. LLP and which have been approved by the Board of Directors of our Company at their meeting held on May 30, 2020. The audited financial statements and the reports thereon did not constitute a part of the Shelf Prospectus.

Pursuant to the amendments in SEBI NCS Regulations by way of notification dated July 5, 2023, the Audited Standalone Financial Statements for Fiscal 2023, Audited Standalone Financial Statements for Fiscal 2022 and Audited Standalone Financial Statements for Fiscal 2021 along with auditors reports thereon dated May 16, 2023 and May 12, 2022, respectively issued by our by Joint Statutory Auditors Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP and dated May 6, 2021, issued by our Previous Statutory Auditors, Deloitte Haskins & Sells, have been included in this Tranche II Prospectus. Further, the Audited Consolidated Financial Statements for Fiscal 2023, Audited Consolidated Financial Statements for Fiscal 2022 and Audited Consolidated Financial Statements for Fiscal 2021 along with auditors reports thereon dated May 16, 2023 and May 12, 2022, respectively issued by our by Joint Statutory Auditors Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP and dated May 6, 2021, issued by our Previous Statutory Auditors, Deloitte Haskins & Sells, have also been included in this Tranche II Prospectus in Annexure D, as mentioned below.

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Tranche II Prospectus and hereinafter below, since March 31, 2023 till the date of filing this Tranche II Prospectus, there have risen no circumstances that materially or adversely affects the operations or financial condition or profitability of our Company or the value of our assets or our ability to pay our material liabilities over the next 12 months. There have not been material event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Company/ Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities:

1. The Company has, by way of External Commercial Borrowings with a door-to-door tenure of four years, entered an arrangement to avail USD 200 million through Loan Syndication Arrangement led by Standard Chartered Bank, who acted as Lead Arranger and Book Runner. List of other lenders in the syndication arrangement include Bank of Baroda, Bank of India, Indian Bank, First Commercial Bank, Chang Hwa Commercial Bank, The Shanghai Commercial & Savings Bank, Bank of Panshin, Hua Nan Commercial Bank, Limited, O-Bank Co., Limited, The National Bank of Ras Al Khaimah and Doha Bank.

2. The Promoters of the Company viz., CreditAccess India B.V. have sold 90,00,000 equity shares (5.76%) out of their holding in the open market through block deal on June 30, 2023.

FINANCIAL INDEBTEDNESS

As on June 30, 2023, our Company had outstanding Total Borrowings, on a standalone basis, of ₹ 16,736.31 crores.

Sr. No.	Nature of Borrowings	Amount Outstanding (in ₹ crore)	%
1	Secured borrowings	16,533.78*	98.79%
2	Unsecured borrowings	202.53	1.21%
Total Borrowings		**16,736.31***	**100.00%**

**Aggregate Borrowing amount exclude amount involved in PTC transaction*

Set forth below, is a summary of the borrowings by our Company outstanding as on June 30, 2023, together with a brief description of certain significant terms of such financing arrangements.

A. Details of secured borrowings:

Our Company's secured outstanding borrowings, on a standalone basis, as on June 30, 2023 amounts to ₹16,533.78 crores. The details of the secured borrowings are set out below:

i. ***Term Loans from Banks/ Financial Institutions***

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
1.	AU Small Finance Bank	Term Loan with Sanction letter dated February 8, 2022	30.00	11.35	10.80%	March 3, 2024 Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation of present and future loan receivables of the Company with a security cover of 110%	CRISIL A+	Standard
2.	Axis Bank	Term Loan with a sanction letter dated September 6, 2021	500.00	2.73	9.65%	September 30, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			2.73	9.65%	September 30, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly			
	Axis Bank			4.55	9.50%	October 29, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			4.55	9.50%	October 29, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			17.06	9.65%	November 28, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			17.07	9.65%	November 28, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Axis Bank			6.82	9.65%	December 30, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			6.82	9.65%	December 30, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			25.47	9.50%	January 28, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			25.46	9.50%	January 28, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			10.23	9.65%	March 5, 2024 Tenor: 24 months	Exclusive hypothecation on book debts, receivables of the Company	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	with a security cover of 110%		
	Axis Bank			10.23	9.65%	March 5, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
3.	Axis Bank	Term loan with Sanction letter dated November 18, 2021.	150.00	7.96	10.50%	November 28, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender’s term loan assistance.	Ind AA-	Standard
	Axis Bank			3.41	10.50%	November 28, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender’s term loan assistance.	Ind AA-	Standard
	Axis Bank			9.56	10.50%	December 01, 2023 Tenor: 24 months	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender’s term	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	loan assistance.		
	Axis Bank			4.09	10.50%	December 01, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance.	Ind AA-	Standard
	Axis Bank			9.55	10.50%	December 10, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance.	Ind AA-	Standard
	Axis Bank			4.09	10.50%	December 10, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance.	Ind AA-	Standard
4.	Axis Bank	Term Loan with Sanction letter dated May 10 2022	300.00	14.72	9.50%	July 29, 2024 Tenor: 24 months	Exclusive hypothecation on book debts, receivables of the Company	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	with a security cover of 110%		
	Axis Bank			14.75	9.50%	July 29, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			15.88	9.65%	August 30, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			15.88	9.65%	August 30, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			17.01	9.65%	September 24, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly			
	Axis Bank			17.01	9.65%	September 29, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			10.20	9.65%	December 26, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
	Axis Bank			10.20	9.65%	December 26, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation on book debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
5.	Axis Bank	Term loan with Sanction letter dated September 16, 2022	50.00	7.26	10.10%	October 31, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment**	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance.	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Frequency – Monthly			
	Axis Bank			15.41	10.25%	November 28, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance.	Ind AA-	Standard
	Axis Bank			16.31	10.25%	December 13, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance.	Ind AA-	Standard
6.	Axis Bank	Term loan with Sanction letter dated January 09, 2023	600.00	54.35	9.25%	February 10, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly			
	Axis Bank			36.29	9.25%	February 10, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance	Ind AA-	Standard
	Axis Bank			54.44	9.40%	February 28, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance	Ind AA-	Standard
	Axis Bank			36.24	9.40%	February 28, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance	Ind AA-	Standard
	Axis Bank			85.70	9.25%	March 30, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment**	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Frequency – Monthly			
	Axis Bank			57.13	9.25%	March 30, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance	Ind AA-	Standard
	Axis Bank			59.84	9.25%	April 26, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance	Ind AA-	Standard
	Axis Bank			39.90	9.25%	April 26, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge on book debts equivalent to 110% of the Lender's term loan assistance	Ind AA-	Standard
7.	Bandhan Bank	Term Loan with Sanction letter dated December 27, 2021	200.00	54.32	9.00%	January 1, 2025 Tenor- 36 months Repayable in 11 equal quarterly installments **Interest Payment Frequency** – Monthly	Exclusive charge by way of by way of hypothecation on book debts of the Company with a security cover of 110%	Ind AA-	Standard
	Bandhan Bank			63.85	9.00%	February 1, 2025	Exclusive charge by way	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Tenor- 36 months Repayable in 11 equal quarterly installments **Interest Payment Frequency** – Monthly	of hypothecation on book debts of the Company with a security cover of 110%		
8.	Bandhan Bank	Term loan with Sanction letter dated December 22, 2021	50.00	8.43	11.50%	December 30, 2023 Tenor- 24 months Repayable in 21 equal quarterly installments **Interest Payment Frequency** – Monthly	Facility will be secured by Exclusive charge by way of hypothecation on book debts created out of Bank's assistance with equivalent to 105%.	Ind AA-	Standard
	Bandhan Bank			10.84	11.50%	February 22, 2024 Tenor- 24 months Repayable in 21 equal quarterly installments **Interest Payment Frequency** - Monthly	Facility will be secured by Exclusive charge by way of hypothecation on book debts created out of Bank's assistance with equivalent to 105%.	Ind AA-	Standard
9.	Bandhan Bank	Term Loan with Sanction letter dated February 18, 2022	100.00	63.45	8.85%	March 16, 2025 Tenor- 36 months Repayable in 11 equal quarterly installments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation on book debts of the Company with a security cover of 110%	Ind AA-	Standard
10.	Bandhan Bank	Term loan with Sanction letter dated August 26, 2022	150.00	38.37	10.35%	September 14, 2024 Tenor- 24 months	Facility will be secured by Exclusive charge by way of	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 21 equal installments **Interest Payment Frequency** – Monthly	hypothecation on book debts created out of Banks assistance with equivalent to 105%.		
	Bandhan Bank			15.34	10.35%	September 29, 2024 Tenor- 24 months Repayable in 21 equal installments **Interest Payment Frequency** – Monthly	Facility will be secured by Exclusive charge by way of hypothecation on book debts created out of Banks assistance with equivalent to 105%.	Ind AA-	Standard
	Bandhan Bank			65.18	10.35%	October 30, 2024 Tenor- 24 months Repayable in 21 equal installments **Interest Payment Frequency** – Monthly	Facility will be secured by Exclusive charge by way of hypothecation on book debts created out of Banks assistance with equivalent to 105%.	Ind AA-	Standard
11.	Bandhan Bank	Term loan with Sanction letter dated March 08, 2023	300.00	298.99	9.10%	March 28, 2026 October 30, 2024 Tenor- 36 months Repayable in 11 quarterly equal installments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation on book debts created out of Bank's assistance with equivalent to 110%.	Ind AA-	Standard
12.	Bank of Bahrain and Kuwait	Term Loan with Sanction letter dated July 1, 2021	50.00	0.91	7.45%	July 31, 2023 Tenor- 24 months with moratorium of 2 months	Exclusive hypothecation charge on the pool of identified, unencumbered	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	standard receivables of the Company with a security cover of 105%		
	Bank of Bahrain and Kuwait			2.73	7.50%	August 30, 2023 Tenor- 24 months with moratorium of 2 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation on the pool of identified, unencumbered standard receivables of the Company with a security cover of 105%	[ICRA]AA-	Standard
13.	Bank of Bahrain and Kuwait	Term loan with Sanction letter dated July 10, 2022	40.00	23.61	7.50%	August 29, 2024 Tenor- 25 months with moratorium of 2 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on the pool of identified, unencumbered standard receivables of the Company with a security cover of 105%	[ICRA]AA-	Standard
14.	Bank of Baroda	Term loan under Credit Guarantee Scheme with Sanction letter dated August 31, 2021	100.00	35.55	7.95%	October 31, 2024 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Facility will be secured by Exclusive charge by way of assigning of specific book Debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Bank of Baroda			8.86	7.95%	October 31, 2024 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Facility will be secured by Exclusive charge by way of assigning of specific book Debts, receivables of the Company with a security cover of 110%	Ind AA-	Standard
15.	Bank of Baroda	Term loan with Sanction letter dated August 31, 2021	100.00	41.71	8.80%	September 28, 2024 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	All the present and future book debts, outstanding, money receivables, claims, bills to an extent of 110% of Bank outstanding	Ind AA-	Standard
16.	Bank of Baroda	Term Loan with Sanction letter dated December 22, 2021	300.00	49.98	9.00%	December 31, 2024 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of assigning of specific book debts created out of bank finance and others with a security cover of 110%	Ind AA-	Standard
	Bank of Baroda			100.03	9.00%	December 31, 2024 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of assigning of specific book debts created out of bank finance and others with a security cover of 110%	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
17.	Bank of Baroda	Term Loan with Sanction letter dated September 5, 2022	500.00	24.98	8.50%	September 30, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of assigning of specific book debts created out of bank finance and others with a security cover of 110%	Ind AA-	Standard
	Bank of Baroda			75.00	8.50%	September 30, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of assigning of specific book debts created out of bank finance and others with a security cover of 110%	Ind AA-	Standard
	Bank of Baroda			50.00	8.50%	September 30, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of assigning of specific book debts created out of bank finance and others with a security cover of 110%	Ind AA-	Standard
	Bank of Baroda			225.00	8.50%	September 30, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of assigning of specific book debts created out of bank finance and others with a security cover of 110%	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
18.	Bank of India	Term loan with Sanction letter dated April 11, 2023	75.00	74.53	9.15%	April 30, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment** Frequency - Monthly	Exclusive hypothecation on specific standard receivables with security coverage of 1.11 by way of loans receivables.	[ICRA]AA-	Standard
19.	Bank of Maharashtra	Term Loan with Sanction letter dated December 22, 2020	200.00	30.02	9.10%	November 30, 2023 Tenor: 36 months Repayable in 33 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on the loan portfolio created out of bank finance of the Company with a security cover of 115%	CRISIL A+	Standard
20.	BNP Paribas	Term Loan with Sanction letter dated October 22, 2021	100.00	24.97	8.00%	December 22, 2023 Tenor: 24 months Repayable in 8 equal quarterly instalments. **Interest Payment Frequency** – Monthly	Exclusive first charge on book debts (created out of BNP Paribas finance) receivables of the Company with a security cover of 100%	[ICRA]AA-	Standard
21.	BNP Paribas	Term Loan with Sanction letter dated January 23, 2023	125.00	109.06	9.00%	February 28, 2025 Tenor: 24 months Repayable in 8 equal quarterly instalments. **Interest Payment Frequency** - Monthly	Exclusive first charge on book debts (created out of BNP Paribas finance) to the extent of 100% of the facility outstanding	[ICRA]AA-	Standard
22.	Citi Bank	Term Loan with Sanction letter	150.00	15.65	10.31%	July 26, 2024	Security over loan portfolio	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
		dated June 22, 2022				Tenor: 24 months Repayable in 8 equal quarterly instalments **Interest Payment Frequency** - Monthly	receivables by way of hypothecation on book debts created out of the loan facility with a security cover of 100%		
	Citi Bank			15.65	10.31%	July 26, 2024 Tenor: 24 months Repayable in 8 equal quarterly instalments **Interest Payment Frequency** – Monthly	Security over loan portfolio receivables by way of hypothecation on book debts created out of the loan facility with a security cover of 100%	[ICRA]AA-	Standard
	Citi Bank			15.64	10.37%	August 29, 2024 Tenor: 24 months Repayable in 8 equal quarterly instalments **Interest Payment Frequency** – Monthly	Security over loan portfolio receivables by way of hypothecation on book debts created out of the loan facility with a security cover of 100%	[ICRA]AA-	Standard
	Citi Bank			15.64	10.37%	August 29, 2024 Tenor: 24 months Repayable in 8 equal quarterly instalments **Interest Payment Frequency** – Monthly	Security over loan portfolio receivables by way of hypothecation on book debts created out of the loan facility with a security cover of 100%	[ICRA]AA-	Standard
	Citi Bank			15.62	10.25%	September 19, 2024 Tenor: 24 months	Security over loan portfolio receivables by way of hypothecation on book debts	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 8 equal quarterly instalments **Interest Payment Frequency** - Monthly	created out of the loan facility with a security cover of 100%		
	Citi Bank			15.62	10.25%	September 19, 2024 Tenor: 24 months Repayable in 8 equal quarterly instalments **Interest Payment Frequency** – Monthly	Security over loan portfolio receivables by way of hypothecation on book debts created out of the loan facility with a security cover of 100%	[ICRA]AA-	Standard
23.	City Union Bank Limited	Term loan with Sanction letter dated March 22, 2021	6.00	4.15	10.75%	August 28, 2026 Tenor: 60 months Repayable in 36 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge over specific pool of book debts	[ICRA]AA-	Standard
24.	CSB Bank	Term Loan with Sanction letter dated November 7, 2020	50.00	8.82	9.80%	December 10, 2023 Tenor: 36 months Repayable in 34 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge on specific loan receivables portfolio of the Company with a security cover of 110%	[ICRA]AA-	Standard
25.	CSB Bank	Term loan with sanction letter dated December 22, 2022	100.00	41.02	9.25%	January 31, 2026 Tenor: 36 months Repayable in 33 equal monthly instalments of ₹ 2,94,11,770 each	Exclusive charge on specific loan receivables portfolio, with an asset cover of 1.10x at all times.	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						and last instalment of ₹ 2,94,11,590 **Interest Payment Frequency** - Monthly			
	CSB Bank			49.99	9.25%	January 31, 2026 Tenor: 36 months Repayable in 33 equal monthly instalments of ₹ 2,94,11,770 each and last instalment of ₹ 2,94,11,590 **Interest Payment Frequency** - Monthly	Exclusive charge on specific loan receivables portfolio, with an asset cover of 1.10x at all times.	[ICRA]AA-	Standard
26.	CTBC Bank	Term Loan with Sanction letter dated March 15, 2022	27.50	27.58	10.22%	March 28, 2024 Tenor: 24 months Repayable in 1 bullet installment **Interest Payment Frequency** - Monthly	Exclusive charge on the specified book receivables (standard receivables which shall be created out of term loan disbursed) of the Company with a security cover of 110%	[ICRA]AA-	Standard
27.	CTBC Bank	Term loan with Sanction letter dated March 15, 2022	12.50	12.46	8.95%	February 07, 2025 Tenor: 24 months Repayable in 1 bullet installment **Interest Payment Frequency** - Monthly	Exclusive charge on the specified book receivables (standard receivables which shall be created out of term loan disbursed) of the company to an extent of 110% of the facility amount.	[ICRA]AA-	Standard
28.	DBS Bank	Term Loan with Sanction letter	150.00	4.54	8.00%	August 25, 2023 Tenor: 24 months	First and exclusive charge on	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	India Limited	dated April 27, 2021				Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	standard loan receivables of the Company with a security cover of 110%		
	DBS Bank India Limited			6.81	8.00%	October 1, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	First and exclusive charge on standard loan receivables of the Company with a security cover of 110%	CRISIL A+	Standard
	DBS Bank India Limited			9.09	8.00%	October 30, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	First and exclusive charge on standard receivables of the Company with a security cover of 110%	CRISIL A+	Standard
29.	DBS Bank India Limited	Term loan with Sanction letter dated October 07, 2022	200.00	176.82	9.10%	November 04, 2025 Tenor: 36 months Repayable in 33 equal monthly instalments **Interest Payment Frequency** - Monthly	The exclusive charge on standard loan receivables of the borrower with security cover of 1.1x to be maintained at outstanding level.	CRISIL A+	Standard
30.	DBS Bank India Limited	Term loan with Sanction letter dated April 24, 2023	300.00	99.64	9.30%	May 30, 2026 Tenor: 36 months Repayable in 33 equal monthly instalments	The term loan will be secured by first & exclusive floating charge over standard loan receivables of Borrowers	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency - Monthly	with security cover of 1.10x to be maintained at outstanding level		
	DBS Bank India Limited			99.99	9.30%	June 20, 2026 Tenor: 36 months Repayable in 33 equal monthly instalments **Interest Payment Frequency** - Monthly	The term loan will be secured by first & exclusive floating charge over standard loan receivables of Borrowers with security cover of 1.10x to be maintained at outstanding level	CRISIL A+	Standard
31.	DCB Bank Limited	Term Loan with Sanction letter dated March 24, 2021	50.00	2.50	10.29%	September 30, 2023 Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on the book debts of the Company with a security cover of 100%	[ICRA]AA-	Standard
	DCB Bank Limited			3.34	10.29%	October 31, 2023 Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	First and exclusive charge on standard receivables of the Company with a security cover of 100%	[ICRA]AA-	Standard
32.	DCB Bank Limited	Term loan with Sanction letter dated December 12, 2022	65.00	20.71	9.00%	December 31, 2025 Tenor: 36 months	100% exclusive hypothecation charge on book debts	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly			
	DCB Bank Limited			25.76	9.00%	January 31, 2026 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	100% exclusive hypothecation charge on book debts	[ICRA]AA-	Standard
	DCB Bank Limited			9.14	9.00%	March 31, 2026 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	100% exclusive hypothecation charge on book debts	[ICRA]AA-	Standard
33.	Dhanlaxmi Bank	Term loan with Sanction letter dated February 26, 2021	25.00	6.41	10.15%	March 29, 2024 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of Book Debts (specifically charged to the Bank) arising out of on lending to Self Help Groups out of Bank Finance.	[ICRA]AA-	Standard
34.	Doha Bank	Term Loan with Sanction letter dated December 27, 2021	60.00	29.87	7.55%	January 01, 2025 Tenor: 36 months Repayable in 12 equal quarterly instalments **Interest Payment**	Exclusive charge on standard loan assets of the Company identified from time to time with a security cover of 110%	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Frequency - Monthly			
35.	Doha Bank	Term loan with Sanction letter dated 6 April 2023	30.00	23.87	8.75%	June 01, 2026 Tenor: 36 months Repayable in 12 equal quarterly instalments **Interest Payment Frequency** - Monthly	Exclusive charge on Standard loan assets of the Borrower, identified from time to time, with the security cover of 1.10x of outstanding loan at any given point of time.	[ICRA]AA-	Standard
36.	Equitas Small Finance Bank	Term Loan with Sanction letter dated August 13, 2020	50.00	5.56	10.00%	October 5, 2023 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first floating charge on the micro finance loan receivables not exceeding 60 days past due created out of lender loan proceed with a security cover of 110%	[ICRA]AA-	Standard
37.	Equitas Small Finance Bank	Term loan with Sanction letter dated July 20, 2022 and July 29, 2022	47.00	15.88	10.35%	September 05, 2024 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive First Floating charge on the microfinance loan receivables not exceeding 60 Days Past Due, created out of Equitas' loan proceeds with margin to the extent of 1.10x of the total loan outstanding at any point of time.	[ICRA]AA-	Standard
	Equitas Small Finance Bank			13.85	10.35%	September 05, 2024 Tenor: 24 months Repayable in 24 monthly instalments	Exclusive First Floating charge on the microfinance loan receivables not exceeding 60 Days Past	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency - Monthly	Due, created out of Equitas' loan proceeds with margin to the extent of 1.10x of the total loan outstanding at any point of time.		
38.	Federal Bank	Term Loan with Sanction letter dated September 3, 2021	50.00	2.11	8.70%	September 30, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge on specific receivables of the Company arising out of on lending created out of Bank Finance with a security cover of 110%	[ICRA]AA-	Standard
	Federal Bank			5.21	8.90%	November 29, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge on specific receivables of the Company arising out of on lending created out of Bank Finance with a security cover of 110%	[ICRA]AA-	Standard
39.	Federal Bank	Term loan with Sanction letter dated September 25, 2021	100.00	45.39	8.50%	September 30, 2024 Tenor: 36 months Repayable in 33 monthly instalments Interest Payment Frequency – Monthly	Exclusive charge on specific receivables of the company arising out of on lending created out of bank finance with 1.10 times only on standard receivables.	[ICRA]AA-	Standard
40.	Federal Bank	Term loan with Sanction letter dated March 18, 2022	75.00	9.91	9.50%	June 29, 2024 Tenor: 24 months	Exclusive charge on specific receivables of	[ICRA]AA-	Standard

(*in ₹ crores*)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 24 equal monthly instalments **Interest Payment** Frequency - Monthly	the Company by way of hypothecation.		
	Federal Bank			32.08	8.70%	August 29, 2024 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment** Frequency - Monthly	Exclusive charge on specific receivables of the Company by way of hypothecation.	[ICRA]AA-	Standard
41.	Federal Bank	Term loan with Sanction letter dated March 31, 2022	50.00	21.35	9.75%	March 31, 2024 Tenor: 24 months Repayable in 21 monthly instalments **Interest Payment** Frequency - Monthly	Exclusive charge on specific receivables of the company arising out of on lending created out of bank finance with 1.10 times only on standard receivables.	[ICRA]AA-	Standard
42.	Federal Bank	Term loan with Sanction letter with December 30, 2022	50.00	42.66	9.00%	December 31, 2024 Tenor: 24 months Repayable in 21 monthly instalments **Interest Payment** Frequency - Monthly	Exclusive charge on specific receivables of the company arising out of on lending created out of bank finance with 1.10 times only on standard receivables.	[ICRA]AA-	Standard
43.	Federal Bank	Term loan with Sanction letter dated January 5, 2023	50.00	49.77	9.55%	May 9, 2026 Tenor: 36 months	Exclusive charge on specific receivables with DPD<30	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 33 equal monthly instalments **Interest Payment Frequency** - Monthly	days arising out of on-lending.		
44.	HDFC Bank	Term Loan with Sanction letter dated October 5, 2021	100.00	5.72	9.05%	November 15, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on book debts, receivables of the Company with a security cover of 105%	Ind AA-	Standard
	HDFC Bank			17.19	9.05%	November 30, 2023 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on book debts, receivables of the Company with a security cover of 105%	Ind AA-	Standard
45.	HDFC Bank	Term Loan with Sanction letter dated February 11, 2022	300.00	46.49	9.05%	February 28, 2025 Tenor: 36 months Repayable in 34 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on book debts, receivables of the Company with a security cover of 105%	Ind AA-	Standard
	HDFC Bank			32.91	8.90%	March 07, 2024 Repayable in 36 equal monthly instalments for ₹ 75,00,00,000 March 07, 2024	Hypothecation of book debts on exclusive basis equaling 105% of the amount outstanding	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 24 equal monthly instalments for ₹ 225,00,00,000 **Interest Payment Frequency** - Monthly	under the facility.		
	HDFC Bank			10.95	7.85%	June 29, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation on book debts, receivables of the Company with a security cover of 105%	Ind AA-	Standard
	HDFC Bank			113.99	8.85%	January 31, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts on exclusive basis equaling 105% of the amount outstanding under the facility.	Ind AA-	Standard
46.	HDFC Bank	Term loan with Sanction letter dated February 11, 2022.	50.00	16.63	8.55%	February 29, 2024 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	Ind AA-	Standard
47.	HDFC Bank	Term loan with Sanction letter dated December 07 2022	100.00	78.55	9.45%	January 12, 2025 Tenor: 24 months Repayable in 24 monthly instalments	Book debts – 105% of book debts with nil DPD	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly			
48.	HDFC Bank	Term loan with Sanction letter dated December 07 2022	400.00	141.48	9.05%	February 26, 2026 Tenor: 36 months Repayable in 34 equal monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of Book debts on exclusive basis. Receivables to be on POS basis with no overdue	Ind AA-	Standard
	HDFC Bank			239.35	9.05%	March 26, 2025 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of Book debts on exclusive basis. Receivables to be on POS basis with no overdue	Ind AA-	Standard
49.	HSBC Bank	Term loan with Sanction letter dated September 21, 2021.	50.00	6.25	10.30%	September 30, 2023 September 30, 2023 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** – Monthly	Exclusive Charge on identified loan assets created out of HSBC loan with asset cover of 1.1x	CRISIL A+	Standard
50.	HSBC Bank	Term Loan with Sanction letter dated September 17, 2021	150.00	6.25	9.20%	September 30, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly			
	HSBC Bank			8.33	9.20%	October 31, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard
	HSBC Bank			10.41	9.20%	November 29, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard
51.	HSBC Bank	Term Loan with Sanction letter dated January 24, 2022 and March 08, 2022	250.00	16.65	8.85%	February 1, 2024 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard
	HSBC Bank			33.33	8.85%	February 18, 2024 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	HSBC Bank			58.30	9.00%	March 7, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard
52.	HSBC Bank	Term Loan with Sanction letter dated July 22, 2022	150.00	34.52	9.35%	July 29, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard
	HSBC Bank			36.07	9.30%	August 30, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard
	HSBC Bank			37.38	9.30%	September 28, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge on identified loan assets created out of Bank's finance with a security cover of 110%	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
53.	HSBC Bank	Term loan with Sanction letter dated July 22, 2022	50.00	13.52	9.85%	July 29, 2024 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive Charge on identified loan assets created out of HSBC loan with asset cover of 1.1x	CRISIL A+	Standard
				14.59	9.80%	August 30, 2024 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive Charge on identified loan assets created out of HSBC loan with asset cover of 1.1x		
54.	HSBC Bank	Term loan with Sanction letter dated 19 January 2023	50.00	39.49	9.15%	January 31, 2025 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive Charge on identified loan assets created out of HSBC loan with asset cover of 1.1x	CRISIL A+	Standard
55.	HSBC Bank	Term loan with Sanction letter dated 08 February 2023	200.00	88.58	9.15%	February 28, 2026 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive Charge on identified loan assets a created out of HSBC loan with asset cover of 1.1x	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	HSBC Bank			88.66	9.20%	February 28, 2026 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive Charge on identified loan assets a created out of HSBC loan with asset cover of 1.1x	CRISIL A+	Standard
56.	HSBC Bank	Term Loan with Sanction letter dated April 12, 2023	400.00	191.57	8.60%	May 29, 2025 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive Charge on identified loan assets created out of HSBC loan with asset cover of 1.1x 50% of Loan to be guaranteed by the ADB	CRISIL A+	Standard
	HSBC Bank			200.00	8.60%	June 14, 2025 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive Charge on identified loan assets created out of HSBC loan with asset cover of 1.1x 50% of Loan to be guaranteed by the ADB	CRISIL A+	Standard
57.	ICICI Bank Limited	Term loan with Sanction letter dated 27 January 2021	25.00	4.58	10.50%	October 10, 2023 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment**	Exclusive charge by the way of Hypothecation of book debts arising out of the Facility. The hypothecated	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Frequency - Monthly	assets must cover at least 110.0% of the amount outstanding under the Facility.		
58.	ICICI Bank Limited	Term loan with Sanction letter dated 22 September 2021	200.00	14.40	9.40%	December 05, 2023 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Secured by Hypothecation of Book Debts arising out of the facility & Guaranteed by National Credit Guarantee Trustee Company Ltd (NCGTC) to the extent of 75% of "amount in default" under Credit Guarantee Scheme for MFIs (CGSMF)	[ICRA]AA-	Standard
	ICICI Bank Limited			38.63	9.40%	January 05, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Secured by Hypothecation of Book Debts arising out of the facility & Guaranteed by National Credit Guarantee Trustee Company Ltd (NCGTC) to the extent of 75% of "amount in default" under Credit Guarantee Scheme for MFIs (CGSMF)	[ICRA]AA-	Standard
	ICICI Bank Limited			13.44	9.40%	February 5, 2024 Tenor: 24 months	Secured by Hypothecation of Book Debts arising out of the facility &	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Guaranteed by National Credit Guarantee Trustee Company Ltd (NCGTC) to the extent of 75% of "amount in default" under Credit Guarantee Scheme for MFIs (CGSMF)		
59.	ICICI Bank Limited	Term loan with Sanction letter dated 26 November 2021	200.00	22.87	9.90%	November 10, 2023 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
	ICICI Bank Limited			13.71	9.90%	December 10, 2023 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
	ICICI Bank Limited			14.41	9.90%	March 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	ICICI Bank Limited			6.88	9.90%	April 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
60.	ICICI Bank Limited	Term Loan with Sanction letter dated December 23, 2021	500.00	12.09	9.20%	August 10, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of Hypothecation of book debts of the Company arising out of facility with a security cover of 110%	[ICRA]AA-	Standard
	ICICI Bank Limited			51.34	9.20%	September 10, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of Hypothecation of book debts of the Company arising out of facility with a security cover of 110%	[ICRA]AA-	Standard
	ICICI Bank Limited			45.99	9.20%	October 10, 2024 Tenor: 24 months Repayable in 22 equal monthly instalments **Interest Payment Frequency** - Monthly		[ICRA]AA-	Standard
61.	ICICI Bank Limited	Term loan with Sanction letter dated April 29, 2022	250.00	20.53	10.45%	April 10, 2024 Tenor: 24 months	Hypothecation of book debts	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly			
	ICICI Bank Limited			15.06	10.45%	May 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
	ICICI Bank Limited			23.72	10.45%	July 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
	ICICI Bank Limited			41.52	10.45%	August 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
	ICICI Bank Limited			23.95	10.45%	September 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment**	Hypothecation of book debts	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Frequency – Monthly			
	ICICI Bank Limited			25.54	10.45%	October 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
62.	ICICI Bank Limited	Term loan with Sanction letter dated November 29, 2022	200.00	58.12	9.85%	November 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
	ICICI Bank Limited			32.84	9.85%	December 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
	ICICI Bank Limited			41.06	9.85%	December 10, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	ICICI Bank Limited			30.33	9.85%	January 10, 2025 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Hypothecation of book debts	[ICRA]AA-	Standard
63.	ICICI Bank Limited	Term loan with Sanction letter dated January 25, 2023	2000.00	459.36	9.10%	April 10, 2025 Tenor: 27 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	An exclusive charge by way of hypothecation of the book debts arising out of the facility shall be created in the favour of ICICI Bank. The hypothecated asset must cover at least 110% of the amount outstanding under the facility.	[ICRA]AA-	Standard
	ICICI Bank Limited			384.21	9.10%	May 10, 2025 Tenor: 27 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	An exclusive charge by way of hypothecation of the book debts arising out of the facility shall be created in the favour of ICICI Bank. The hypothecated asset must cover at least 110% of the amount outstanding under the facility.	[ICRA]AA-	Standard
	ICICI Bank Limited			300.69	9.20%	June 10, 2025 Tenor: 27 months	An exclusive charge by way of	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	hypothecation of the book debts arising out of the facility shall be created in the favour of ICICI Bank. The hypothecated asset must cover at least 110% of the amount outstanding under the facility.		
	ICICI Bank Limited			50.11	9.20%	June 10, 2025 Tenor: 27 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	An exclusive charge by way of hypothecation of the book debts arising out of the facility shall be created in the favour of ICICI Bank. The hypothecated asset must cover at least 110% of the amount outstanding under the facility.	[ICRA]AA-	Standard
64.	Indian Bank	Term loan with Sanction letter dated November 16, 2019.	10.00	0.58	9.50%	August 28, 2023 December 15, 2023 Tenor: 36 months Repayable in 33 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive Charge on identified loan assets with asset cover of 1.1x	[ICRA]AA-	Standard
65.	Indian Bank	Term Loan with Sanction letter	100.00	10.20	9.20%	December 15, 2023	Exclusive hypothecation/ first charge	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
		dated December 18, 2020				Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	over specific book debts of the Company created out of loan fund with a security cover of 110%		
	Indian Bank			6.81	9.20%	December 15, 2023 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation/ first charge over specific book debts of the Company created out of loan fund with a security cover of 110%	[ICRA]AA-	Standard
66.	Indian Bank	Term loan with Sanction letter dated October 25, 2021.	15.00	9.38	9.35%	February 01, 2025 February 23, 2025 Tenor: 36 months Repayable in 33 monthly instalments **Interest Payment Frequency** – Monthly	Exclusive Charge on identified loan assets with asset cover of 1.1x	[ICRA]AA-	Standard
67.	Indian Bank	Term Loan with Sanction letter dated January 25, 2022	95.00	24.91	9.15%	February 23, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation over book debts of the Company with a security cover of 111%	[ICRA]AA-	Standard
	Indian Bank			2.78	9.15%	February 23, 2025	Exclusive charge by way of	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	hypothecation over book debts of the Company with a security cover of 111%		
	Indian Bank			8.76	9.25%	March 3, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation over book debts of the Company with a security cover of 111%	[ICRA]AA-	Standard
	Indian Bank			17.53	9.25%	March 3, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation over specific book debts of the Company with a security cover of 111%	[ICRA]AA-	Standard
68.	IDBI Bank	Term Loan with Sanction letter dated February 21, 2022	75.00	34.42	11.25%	May 25, 2024 Tenor: 27 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on specific book debts arising out of the loans extended with a security cover of 100%	Ind AA-	Standard
69.	IDBI Bank	Term loan with Sanction letter dated March 31, 2021	75.00	1.25	10.35%	September 30, 2023 Tenor: 27 months Repayable in 24 equal monthly instalments	Exclusive charge by way of hypothecation on the specific book debts arising out of the loans extended. At	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency - Monthly	any point of time, the company to maintain asset cover at 110%.		
	IDBI Bank			13.34	9.55%	February 1, 2024 Tenor: 27 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on the specific book debts arising out of the loans extended. At any point of time, the company to maintain asset cover at 110%.	Ind AA-	Standard
70.	IDBI Bank	Term loan with Sanction letter dated March 25, 2022	75.00	25.07	11.55	June 1, 2024 Tenor: 27 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on the specific book debts arising out of the loans extended. At any point of time, the company to maintain asset cover at 110%.	Ind AA-	Standard
	IDBI Bank			12.54	11.55%	June 1, 2024 Tenor: 27 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on the specific book debts arising out of the loans extended. At any point of time, the company to maintain asset cover at 110%.	Ind AA-	Standard
71.	IDBI Bank	Term loan with Sanction letter dated 06 March 2023	100.00	74.69	9.35%	June 1, 2025 Tenor: 27 months Repayable in 24 equal monthly instalments	Exclusive charge by way of hypothecation on the specific book debts arising out of	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly	loans extended. At any point of time, the company to maintain an asset cover at 105%.		
72.	IDFC Bank Limited	Term Loan with Sanction letter dated February 20, 2021	300.00	2.38	9.25%	July 29, 2023 Tenor: 24 months Repayable in 21 equal monthly instalments **Interest Payment Frequency** – Monthly	First Exclusive charge of present and future book debts and receivables with a security cover of 110%.	Ind AA-	Standard
	IDFC Bank Limited			2.38	9.25%	August 30, 2023 Tenor: 24 months Repayable in 21 equal monthly instalments **Interest Payment Frequency** – Monthly	First Exclusive charge of present and future book debts and receivables with a security cover of 110%.	Ind AA-	Standard
	IDFC Bank Limited			7.14	9.25%	September 30, 2023 Tenor: 24 months Repayable in 21 equal monthly instalments **Interest Payment Frequency** – Monthly	First Exclusive charge of present and future book debts and receivables with a security cover of 110%.	Ind AA-	Standard
	IDFC Bank Limited			9.52	9.25%	October 29, 2023 Tenor: 24 months Repayable in 21 equal monthly instalments **Interest Payment**	First Exclusive charge of present and future book debts and receivables with a security cover of 110%.	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Frequency – Monthly			
	IDFC Bank Limited			17.86	9.25%	November 29, 2023 Tenor: 24 months Repayable in 21 equal monthly instalments **Interest Payment Frequency** – Monthly	First Exclusive charge of present and future book debts and receivables with a security cover of 110%.	Ind AA-	Standard
73.	IDFC Bank Limited	Term loan with Sanction letter dated March 11, 2022.	160.00	51.42	9.10%	March 18, 2024 Tenor: 24 months Repayable in 21 monthly instalments **Interest Payment Frequency** – Monthly	A first exclusive charge (floating) over loan receivables with a security cover of 1.10x.	Ind AA-	Standard
	IDFC Bank Limited			17.13	9.10%	March 18, 2024 Tenor: 24 months Repayable in 21 monthly instalments **Interest Payment Frequency** – Monthly	A first exclusive charge (floating) over loan receivables with a security cover of 1.10x.	Ind AA-	Standard
74.	IDFC Bank Limited	Term Loan with Sanction letter dated May 30, 2022	150.00	40.86	9.20%	July 29, 2025 Tenor: 36 months Repayable in 11 equal quarterly instalments **Interest Payment Frequency** – Monthly	First Exclusive charge of present and future book debts and receivables with a security cover of 110%.	Ind AA-	Standard
	IDFC Bank Limited			40.90	9.40%	September 30, 2025 Tenor: 36 months	First Exclusive charge of present and	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 11 equal quarterly instalments **Interest Payment Frequency** – Monthly	future book debts and receivables with a security cover of 110%.		
75.	Indian Overseas Bank	Term loan with Sanction letter dated October 15, 2022	50.00	44.25	9.10%	February 24, 2026 Tenor: 36 months Repayable in 34 monthly instalments of Rs 1.39 Cr each and 35th instalment of Rs 2.74 Cr **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation over specified pool of receivables/ Micro Lending portfolio of the Company created out of Bank Finance	[ICRA]AA-	Standard
76.	KEB Hana Bank	Term loan with Sanction letter dated July 15, 2022	70.00	43.69	7.75%	July 31, 2024 Tenor: 36 months Repayable in 8 equal quarterly instalments	Exclusive charge by way of Hypothecation of exclusive identifiable receivables/pool of assets with a security cover of 105%.	NA	Standard
77.	Karnataka Bank	Term Loan with Sanction letter dated October 23, 2020 and December 2, 2020	50.00	10.00	10.10%	November 30, 2023 Tenor: 35 months Repayable in 5 equal half-yearly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of assignment of book debts created out of Karnataka Bank finance to the extent of 110%.	[ICRA]AA-	Standard
78.	Karur Vysya Bank	Term loan with Sanction letter dated August 31, 2021	10.00	1.25	10.35%	September 30, 2023 Tenor: 24 months	Hypothecation of book debts	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 24 monthly instalments **Interest Payment Frequency** – Monthly			
79.	Karur Vysya Bank	Term loan with Sanction letter dated March 28, 2022	50.00	14.42	10.10%	June 30, 2025 Tenor: 36 months Repayable in 33 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on specific standard Loan Receivables and book debts of the company arising from loan and advances (both present and future) made by the applicant with minimum Asset Coverage Ratio of 1.10x	[ICRA]AA-	Standard
	Karur Vysya Bank			21.90	10.10%	July 31, 2025 Tenor: 36 months Repayable in 33 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on specific standard Loan Receivables and book debts of the company arising from loan and advances (both present and future) made by the applicant with minimum Asset Coverage Ratio of 1.10x	[ICRA]AA-	Standard
80.	Karur Vysya Bank	Term loan with Sanction letter dated May 11, 2023	50.00	49.70	9.25%	May 30, 2026 Tenor: 36 months Repayable in 33 equal monthly instalments	Exclusive charge by way of hypothecation over specified pool of receivables/ Micro Lending	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly	portfolio of the Company created out of Bank Finance		
81.	KB Kookmin Bank	Term loan with Sanction letter dated March 17, 2022	70.00	69.79	9.90%	April 29, 2025 Tenor: 36 months Repayable in 8 equal quarterly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on specific receivables of standard assets (book debts) in nature by way of hypothecation with asset cover of 110%.	CRISIL A+	Standard
82.	Kotak Mahindra Bank	Term loan with Sanction letter dated March 5, 2021	100.00	1.25	9.95%	August 30, 2023 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** – Monthly	110% Hypothecation of Book Debts	[ICRA]AA-	Standard
	Kotak Mahindra Bank			1.24	10.05%	September 28, 2023 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** – Monthly	110% Hypothecation of Book Debts	[ICRA]AA-	Standard
	Kotak Mahindra Bank			2.15	10.05%	October 28, 2023 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** – Monthly	110% Hypothecation of Book Debts	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
83.	Kotak Mahindra Bank	Term loan with Sanction letter dated December 8, 2021	100.00	18.80	10.20%	March 29, 2024 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** – Monthly	110% Hypothecation of Book Debts	[ICRA]AA-	Standard
	Kotak Mahindra Bank			22.76	10.45%	May 22, 2024 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** – Monthly	110% Hypothecation of Book Debts	[ICRA]AA-	Standard
84.	Kotak Mahindra Bank	Term Loan with Sanction letter dated June 14, 2021	250.00	4.17	8.85%	October 29, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.	[ICRA]AA-	Standard
	Kotak Mahindra Bank			10.44	8.95%	November 29, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly	agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.		
	Kotak Mahindra Bank			12.49	9.05%	December 22, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.	[ICRA]AA-	Standard
	Kotak Mahindra Bank			36.01	9.35%	January 24, 2024 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.	[ICRA]AA-	Standard
85.	Kotak Mahindra	Term Loan with Sanction letter	550.00	33.26	8.50%	October 30, 2024	First exclusive charge on the	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Bank Limited	dated June 1, 2022				Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.		
	Kotak Mahindra Bank Limited			70.76	8.60%	November 26, 2024 Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.	[ICRA]AA-	Standard
	Kotak Mahindra Bank Limited			74.98	8.85%	December 28, 2024 Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belo	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							nging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.		
	Kotak Mahindra Bank Limited			41.65	9.05%	February 28, 2025 Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.	[ICRA]AA-	Standard
	Kotak Mahindra Bank Limited			87.42	9.35%	March 31, 2025 Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.	[ICRA]AA-	Standard
	Kotak Mahindra			45.82	9.40%	April 28, 2025	First exclusive charge on the	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Bank Limited					Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.		
	Kotak Mahindra Bank Limited			50.00	9.60%	July 26, 2025 Tenor: 26 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First exclusive charge on the micro loan receivables created out of KMBL's finance pertaining to borrowers engaged in agriculture and allied activities/belonging to weaker sections/ belonging to MSE segment with 110% cover in form of receivables.	[ICRA]AA-	Standard
86.	Mahindra & Mahindra Financial Services Limited	Term loan with Sanction letter dated September 14, 2022	150.00	38.59	9.00%	September 29, 2025 Tenor: 36 months Repayable in 36 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge over receivables assets/book debts with a cover of 1.10 times of the outstanding principal at any point of time during currency of the	NA	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							facility.		
	Mahindra & Mahindra Financial Services Limited			42.55	9.60%	December 27, 2025 Tenor: 36 months Repayable in 36 monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge over receivables assets/book debts with a cover of 1.10 times of the outstanding principal at any point of time during currency of the facility.	NA	Standard
	Mahindra & Mahindra Financial Services Limited			45.07	9.80%	February 24, 2026 Tenor: 36 months Repayable in 36 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge over receivables assets/book debts with a cover of 1.10 times of the outstanding principal at any point of time during currency of the facility.	NA	Standard
87.	MUDRA	Term loan with Sanction letter dated October 10, 2022	300.00	248.88	7.15%	October 10, 2025 Tenor: 36 months Repayable in 12 equal quarterly instalments **Interest Payment Frequency** - Monthly	Exclusive First charge by way of hypothecation on all books debts and receivables of the Borrower, to an extent of 100% covered under the term loan availed from MUDRA	Ind AA-	Standard
88.	NABARD	Term Loan with Sancton letter dated November 7, 2018	1000.00	157.01	11.50%	February 1, 2024 Tenor: 60 months Repayable in 11 half-yearly instalments	Hypothecation by way of assignment of book debts, receivables of the Company with a security cover of 112%	NA	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Half yearly			
	NABARD			92.77	11.50%	August 1, 2024 Tenor: 60 months Repayable in 11 half-yearly instalments **Interest Payment** Frequency – Half yearly	Hypothecation by way of assignment of book debts, receivables of the Company with a security cover of 112%	NA	Standard
	NABARD			47.10	11.50%	August 1, 2024 Tenor: 60 months Repayable in 11 half-yearly instalments **Interest Payment** Frequency – Half yearly	Hypothecation by way of assignment of book debts, receivables of the Company with a security cover of 112%	NA	Standard
	NABARD			47.10	11.50%	August 1, 2024 Tenor: 60 months Repayable in 11 half-yearly instalments **Interest Payment** Frequency – Half yearly	Exclusive charge over book debts, receivables of the Company with a security cover of 112%	NA	Standard
89.	NABARD	Term loan with General Refinance Agreement dated 24 July 2015 & Sanction letter	50.00	1.39	11.65%	July 31, 2023 Tenor: 60 months Repayable in 10 half-yearly instalments	Hypothecation of book debts	NA	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
		dated 9 July 2018				**Interest Payment** Frequency – Half yearly			
90.	NABARD	Term loan with General Refinance Agreement dated 24 July 2015 & sanction letter dated 1 November 2018	35.00	1.63	11.60%	January 31, 2024 Tenor: 60 months Repayable in 11 half-yearly instalments **Interest Payment** Frequency – Half yearly	Hypothecation of book debts	NA	Standard
91.	NABARD	Term loan with General Refinance Agreement dated 24 July 2015 & Sanction letter dated 23 May 2018	60.00	1.66	11.60%	July 31, 2023 Tenor: 60 months Repayable in 10 half-yearly instalments **Interest Payment** Frequency – Half Yearly	Hypothecation of book debts	NA	Standard
92.	NABARD	Term Loan with Sanction letter dated July 16, 2019	300.00	125.61	11.50%	August 1, 2024 Tenor: 60 months Repayable in 10 half yearly instalments **Interest Payment** Frequency – Half Yearly	Exclusive / first pari-passu charge by way of assignment / hypothecation of book debts, receivables of the Company with a security cover of 112%	NA	Standard
93.	NABARD	Term Loan with Sanction letter September 23, 2019	300.00	141.28	11.50%	February 1, 2025 Tenor: 60 months Repayable in 11 half yearly instalments **Interest Payment** Frequency – Half Yearly	Exclusive / first pari-passu charge by way of assignment / hypothecation of book debts, receivables of the Company with a security cover of 112%	NA	Standard
94.	NABARD	Term loan with General	50.00	2.97	11.60%	December 31, 2024	Hypothecation of book debts	NA	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
		Refinance Agreement dated 24 July 2015 & Sanction letter dated 27 December 2019				Tenor: 60 months Repayable in 20 quarterly instalments **Interest Payment** Frequency – Monthly			
95.	NABARD	Term loan with General Refinance Agreement dated 24 July 2015 & Sanction letter dated 12 January 2021	100.00	36.70	9.50%	March 31, 2026 Tenor: 62 months Repayable in 20 quarterly instalments **Interest Payment** Frequency – Monthly	Hypothecation of book debts	NA	Standard
96.	NABARD	Term Loan with Sanction letter dated December 21, 2021	140.00	72.41	9.65%	September 30, 2026 Tenor: 60 months Repayable in 19 quarterly instalments Interest Payment Frequency – Monthly	Exclusive / first pari-passu charge by way of assignment / hypothecation of book debts, receivables of the Company with a security cover of 112%	NA	Standard
97.	NABARD	Term Loan with Sanction letter dated March 23, 2022	300.00	174.05	9.80%	December 31, 2026 Tenor: 60 months Repayable in 19 quarterly instalments Interest Payment Frequency – Monthly	Exclusive / first pari-passu charge by way of assignment / hypothecation of book debts, receivables of the Company with a security cover of 112%	NA	Standard
98.	NABKISAN Finance Ltd	Term loan with Sanction letter dated February 18, 2021.	25.00	6.30	10.10%	March 1, 2024 Tenor: 36 months Repayable in 12 quarterly instalments	Exclusive charge by way of assigning of spectflc book debts to the extent of minimum 110% of the	NA	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly	Bank's book debts		
99.	NABKISAN Finance Ltd	Term loan with Sanction letter dated March 03, 2022.	25.00	14.56	9.15%	March 1, 2025 Tenor: 36 months Repayable in 12 quarterly instalments Interest Payment Frequency – Monthly	Exclusive charge by way of assigning of spectflc book debts to the extent of minimum 110% of the Bank's book debts	NA	Standard
100.	Punjab National Bank	Term Loan with Sanction letter dated October 21, 2020	100.00	6.04	9.40%	February 29, 2024 Tenor: 36 months Repayable in 33 equal monthly instalments **Interest Payment Frequency** - Monthly	Hypothecation charge on receivables (present & future, excluding NPAs and un-matured finance charges) and other assets forming a part of current assets of the Company maintaining the minimum security cover of 112%.	Ind AA-	Standard
	Punjab National Bank			34.13	8.70%	September 30, 2024 Tenor: 36 months Repayable in 33 equal monthly instalments **Interest Payment Frequency** - Monthly	Hypothecation charge on receivables (present & future, excluding NPAs and un-matured finance charges) and other assets forming a part of current assets of the Company maintaining the minimum security cover of 112%.	Ind AA-	Standard
101.	Punjab National Bank	Term Loan with Sanction letter	200.00	119.91	8.30%	November 30, 2024	Hypothecation by way of exclusive	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
		dated December 20, 2021				Tenor: 36 months Repayable in 10 equal quarterly instalments **Interest Payment Frequency** - Monthly	charge on receivables (present & future, excluding NPAs and un-matured finance charges) and other assets forming a part of current assets of the Company maintaining the minimum security cover of 100%.		
102.	RBL	Term loan with Sanction letter dated March 23, 2021.	75.00	1.36	9.80%	September 27, 2023 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first charge (floating) on portfolio of receivables as acceptable to bank, from time to time covering 110% of the principal at any point of time during the currency of the facility.	[ICRA]AA-	Standard
	RBL			2.72	10.05%	October 28, 2023 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first charge (floating) on portfolio of receivables as acceptable to bank, from time to time covering 110% of the principal at any point of time during the currency of the facility.	[ICRA]AA-	Standard
	RBL			3.64	10.05%	October 30, 2023 Tenor: 24 months	Exclusive first charge (floating) on portfolio of receivables as acceptable to	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	bank, from time to time covering 110% of the principal at any point of time during the currency of the facility.		
	RBL			3.40	10.15%	November 22, 2023 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first charge (floating) on portfolio of receivables as acceptable to bank, from time to time covering 110% of the principal at any point of time during the currency of the facility.	[ICRA]AA-	Standard
103.	RBL	Term loan with Sanction letter dated June 3, 2022.	100.00	13.64	10.55%	June 21, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first charge (floating) on portfolio of receivables as acceptable to bank, from time to time covering 110% of the principal at any point of time during the currency of the facility.	[ICRA]AA-	Standard
	RBL			15.86	10.30%	August 26, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Exclusive first charge (floating) on portfolio of receivables as acceptable to bank, from time to time covering 110% of the principal at any point of time during the currency of the facility.	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	RBL			17.03	10.30%	September 21, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** – Monthly	Exclusive first charge (floating) on portfolio of receivables as acceptable to bank, from time to time covering 110% of the principal at any point of time during the currency of the facility.	[ICRA]AA-	Standard
	RBL			19.28	10.00%	November 25, 2024 Tenor: 24 months Repayable in 22 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first charge (floating) on portfolio of receivables as acceptable to bank, from time to time covering 110% of the principal at any point of time during the currency of the facility.	[ICRA]AA-	Standard
104.	RBL	Term Loan with Sanction letter dated January 04, 2023	250.00	91.11	9.40%	June 20, 2026 Tenor: 36 months Repayable in 34 equal monthly instalments **Interest Payment Frequency** - Monthly	Primary Security: Secured by the way a first ranking exclusive and continuing charge on identified standard loan receivables of the Borrower to be created in the made and manner stipulated by the bank. The borrower shall maintain security coverage of at least 110% of the value of	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							the outstanding amounts of the Facility.		
105.	SBM Bank (India) Limited	Term Loan with Sanction latter dated July 23, 2021	40.00	7.26	9.40%	June 30, 2024 Tenor: 36 months Repayable in 11 equal quarterly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance subject to a minimum cover of 110 % at any time during the currency of the loan and a demand promissory note and a letter of continuity.	[ICRA]AA-	Standard
	SBM Bank (India) Limited			9.10	9.45%	September 28, 2024 Tenor: 36 months Repayable in 11 equal quarterly instalments **Interest Payment Frequency** - Monthly	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance subject to a minimum cover of 110 % at any time during the currency of the loan and a demand promissory note and a letter of continuity.	[ICRA]AA-	Standard
106.	SBM Bank	Term Loan with Sanction letter	25.00	15.88	9.80%	February 28, 2025	Exclusive charge by way of	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	(India) Limited	dated February 18, 2022				Tenor: 36 months Repayable in 11 equal quarterly instalments **Interest Payment Frequency** - Monthly	hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance subject to a minimum cover of 110 % at any time during the currency of the loan and a demand promissory note and a letter of continuity.		
107.	State Bank of Mauritius	Term loan with Sanction letter dated January 7, 2022	20.00	10.02	9.75%	March 24, 2024 Tenor: 27 months Repayable in 8 quarterly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation on book debts under standard assets' portfolio of the borrower eligible for bank finance subject to a minimum cover of 1.10 times at all times.	[ICRA]AA-	Standard
108.	State Bank of Mauritius	Term loan with Sanction letter dated October 19, 2022	30.00	26.23	9.55%	January 31, 2025 Tenor: 27 months Repayable in 8 quarterly instalments **Interest Payment Frequency** – Monthly	Exclusive charge by way of hypothecation on book debts under standard assets' portfolio of the borrower eligible for bank finance subject to a minimum cover of 1.10 times at all times.	[ICRA]AA-	Standard
109.	South Indian Bank	Term loan with Sanction letter	80.00	3.35	9.20%	October 31, 2024 Tenor: 24 months	110% Hypothecation of book debts	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
		dated August 25, 2022				Repayable in 23 equal monthly instalments **Interest Payment Frequency** – Monthly			
	South Indian Bank			49.99	9.20%	October 31, 2024 Tenor: 24 months Repayable in 23 equal monthly instalments **Interest Payment Frequency** – Monthly	110% Hypothecation of book debts	CRISIL A+	Standard
110.	State Bank of India	Term Loan with Sanction letter dated November 30, 2020	430.00	71.57	9.55%	November 27, 2023 Tenor: 36 months Repayable in 30 equal monthly instalments **Interest Payment Frequency** – Monthly November 30, 2023	Exclusive hypothecation charge over specific pool of receivables/book debts (min 60% Agri & allied activity) created out of State Bank of India's finance as acceptable to bank to the extent outstanding of loan amount and maintain 110% security at any point of time by replacing the closed loans with fresh loans.	[ICRA]AA-	Standard
111.	State Bank of India	Term Loan with Sanction letter dated December 29, 2021	600.00	17.83	8.80%	December 27, 2024 Tenor: 36 months Repayable in 30 equal monthly instalments	Exclusive hypothecation charge over specific pool of receivables/book debts (min 60% Agri & allied activity)	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Monthly	created out of State Bank of India's finance as acceptable to bank to the extent outstanding of loan amount and maintain 110% security at any point of time by replacing the closed loans with fresh loans.		
	State Bank of India			100.08	8.80%	December 27, 2024 Tenor: 36 months Repayable in 30 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts (min 60% Agri & allied activity) created out of State Bank of India's finance as acceptable to bank to the extent outstanding of loan amount and maintain 110% security at any point of time by replacing the closed loans with fresh loans.	[ICRA]AA-	Standard
	State Bank of India			100.12	8.80%	December 27, 2024 Tenor: 36 months Repayable in 30 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts (min 60% Agri & allied activity) created out of State Bank of India's finance as acceptable to bank to the	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							extent outstanding of loan amount and maintain 110% security at any point of time by replacing the closed loans with fresh loans		
	State Bank of India			50.07	8.80%	December 27, 2024 Tenor: 36 months Repayable in 30 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts (min 60% Agri & allied activity) created out of State Bank of India's finance as acceptable to bank to the extent outstanding of loan amount and maintain 110% security at any point of time by replacing the closed loans with fresh loans.	[ICRA]AA-	Standard
	State Bank of India			80.12	8.80%	December 27, 2024 Tenor: 36 months Repayable in 30 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts (min 60% Agri & allied activity) created out of State Bank of India's finance as acceptable to bank to the extent outstanding of loan amount and maintain 110% security	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							at any point of time by replacing the closed loans with fresh loans.		
	State Bank of India			11.93	9.00%	December 27, 2024 Tenor: 36 months Repayable in 30 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts (min 60% Agri & allied activity) created out of State Bank of India's finance as acceptable to bank to the extent outstanding of loan amount and maintain 110% security at any point of time by replacing the closed loans with fresh loans.	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
112.	State Bank of India	Term loan with Sanction letter dated June 22, 2022	1000.00	50.01	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments Interest Payment Frequency - Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable to bank to the extent of outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with fresh loans	[ICRA]AA-	Standard
	State Bank of India			24.99	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments Interest Payment Frequency - Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable to bank to the extent of outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							fresh loans		
	State Bank of India			50.00	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments Interest Payment Frequency - Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable to bank to the extent of outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with fresh loans	[ICRA]AA-	Standard
	State Bank of India			99.99	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments Interest Payment Frequency - Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable to bank to the extent of	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with fresh loans		
	State Bank of India			49.99	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments Interest Payment Frequency - Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable to bank to the extent of outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with fresh loans	[ICRA]AA-	Standard
	State Bank of India			99.99	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments Interest Payment Frequency - Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable to bank to the	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							extent of outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with fresh loans		
	State Bank of India			149.98	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments Interest Payment Frequency - Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable to bank to the extent of outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with fresh loans	[ICRA]AA-	Standard
	State Bank of India			49.99	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency - Monthly	to bank to the extent of outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with fresh loans		
	State Bank of India			224.97	9.00%	June 27, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments Interest Payment Frequency - Monthly	Exclusive hypothecation charge over specific pool of receivables/book debts created out of Bank finance as acceptable to bank to the extent of outstanding loan amount and maintain 110% security at any point of time and should not include receivables of assets which are overdue and replacing the closed loans with fresh loans	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
113.	Standard Chartered Bank	Term Loan with Sanction letter dated July 25, 2021	331.50	125.16	10.97%	July 26, 2024 Tenor: 24 months Repayable in 8 equal quarterly amortizations **Interest Payment Frequency** - Monthly	First and exclusive charge on specific receivables of the Company with an asset cover of 110% of the outstanding principal.	Ind AA-	Standard
				73.50	9.20%	February 27, 2025 Tenor: 24 months Repayable in 8 equal quarterly amortizations **Interest Payment Frequency** - Monthly	First and exclusive charge on specific receivables of the Company with an asset cover of 110% of the outstanding principal.	Ind AA-	Standard
114.	Standard Chartered Bank	Term loan with Sanction letter dated 24 May 2022	70.00	43.77	9.55%	July 5, 2024 Tenor: 24 months Repayable in 8 quarterly instalments **Interest Payment Frequency** - Monthly	110% Hypothecation of Book Debts	Ind AA-	Standard
	Standard Chartered Bank			6.56	10.15%	November 21, 2024 Tenor: 24 months Repayable in 8 quarterly instalments **Interest Payment Frequency** - Monthly	110% Hypothecation of Book Debts	Ind AA-	Standard
115.	Standard Chartered Bank	Term loan with Sanction letter dated 24 May 2022	8.75	7.65	9.90%	January 05, 2024 Tenor: 24 months	110% Hypothecation of Book Debts	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 8 quarterly instalments **Interest Payment Frequency** - Monthly			
116.	Standard Chartered Bank	Term loan with Sanction letter dated 24 May 2022	20.00	19.99	9.60%	January 12, 2024 Tenor: 24 months Repayable in 1 bullet instalment **Interest Payment Frequency** - Monthly	110% Hypothecation of Book Debts	Ind AA-	Standard
117.	Standard Chartered Bank	Term loan with Sanction letter dated 24 May 2022	20.00	20.00	9.40%	February 8, 2024 Tenor: 24 months Repayable in 1 bullet instalment **Interest Payment Frequency** - Monthly	110% Hypothecation of Book Debts	Ind AA-	Standard
118.	Suryoday Small Finance Bank Limited	Term loan with Sanction letter dated April 29, 2022.	22.50	11.01	11.65%	May 5, 2024 Tenor: 24 months Repayable in 24 monthly instalments **Interest Payment Frequency** - Monthly	First ranking exclusive and continuing charge by way of Hypothecation of identified book debts of the Borrower (principal amount) to cover 1.1Ox of the outstanding Facility Amount.	[ICRA]AA-	Standard
119.	Suryoday Small Finance Bank Limited	Term loan with Sanction letter dated June 20, 2022.	22.00	8.60	10.80%	July 5, 2024 Tenor: 24 months Repayable in 24 monthly instalments	First ranking exclusive and continuing charge by way of Hypothecation of identified book debts of the Borrower	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency - Monthly	(principal amount) to cover 1.1Ox of the outstanding Facility Amount.		
	Suryoday Small Finance Bank Limited			4.27	10.80%	August 5, 2024 Tenor: 36 months Repayable in 24 monthly instalments **Interest Payment Frequency** - Monthly	First ranking exclusive and continuing charge by way of Hypothecation of identified book debts of the Borrower (principal amount) to cover 1.1Ox of the outstanding Facility Amount.	[ICRA]AA-	Standard
120.	Tata Capital Financial Services Limited	Term loan with Sanction letter dated March 03, 2021	75.00	32.12	10.50%	August 5, 2024 Tenor: 36 months Repayable in 33 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge over receivables of Company arising out of Tata Capital's facility with a minimum-security cover of 110% where hypothecation of receivables should not be more than 30 days PAR.	CRISIL A+	Standard
121.	Tata Capital Financial Services Limited	Term loan with Sanction letter dated March 03, 2021	25.00	7.64	10.50%	May 31, 2024 Tenor: 39 months Repayable in 33 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge over the receivables of the Borrower arising out of TCFSLs facility with a minimum asset cover of 1.10x times to be maintained during entire tenor of the loan	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
122.	UCO Bank	Term Loan with Sanction letter dated July 23, 2022	100.00	31.80	8.70%	July 31, 2025 Tenor: 36 months Repayable in 11 equal quarterly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge over specific receivables/book debts created out of bank finance	[ICRA]AA-	Standard
	UCO Bank			50.00	8.70%	July 31, 2025 Tenor: 36 months Repayable in 11 equal quarterly instalments **Interest Payment Frequency** - Monthly	Exclusive hypothecation charge over specific receivables/book debts created out of bank finance	[ICRA]AA-	Standard
123.	Woori Bank	Term Loan with Sanction letter dated January 21, 2022	50.00	16.61	9.40%	February 17, 2024 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive First charge on Specific Receivables of standard assets in nature by Hypothecation, with a cover of 110% to be maintained on the outstanding loan exposure at all times.	[ICRA]AA-	Standard
124.	Woori Bank	Term loan with Sanction letter dated April 26, 2023.	50.00	45.62	9.00%	April 30, 2025 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive First charge on Specific Receivables of standard assets in nature by Hypothecation, with a cover of 110% to be maintained on the outstanding	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							loan exposure at all times. The borrower shall ensure that all the receivables hypothecated to Woori Bank represent standard assets as per the Reserve Bank of India (RBI) definition governing MFI's		
125.	Qatar National Bank	Term loan with Sanction letter dated December 07, 2022	50.00	49.88	9.40%	February 24, 2025 Tenor: 24 months Repayable in 6 equal quarterly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on standard receivables of the Borrower with 1.10x cover on the Facility outstanding during the tenor of the Facility. The Borrower shall review this portfolio of standard receivables (0-day overdue loans) on a monthly basis and will replace any loan that had run down owing to prepayment or repayment or has defaulted or is running overdue, with fresh 0 Day overdue loans, to maintain the 1.10x cover.	[ICRA]AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
126.	Yes Bank	Term Loan with Sanction letter dated March 5, 2021	150.00	4.17	10.15%	October 29, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First and Exclusive Charge on all specific standard loan assets/book debts, both present and future assigned/created out of bank finance with asset cover of 105%.	[ICRA]AA-	Standard
	Yes Bank			25.05	10.15%	December 28, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First and Exclusive Charge on all specific standard loan assets/book debts, both present and future assigned/created out of bank finance with asset cover of 105%.	[ICRA]AA-	Standard
127.	Ujjivan Small Finance Bank	Term Loan with Sanction letter dated August 31, 2021	75.00	1.25	10.40%	September 30, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	First ranking exclusive and continuing charge on the identified loan receivables of the Company (the "Portfolio") with security coverage of at least 110% of the value of the outstanding amount.	CRISIL A+	Standard
	Ujjivan Small			5.00	10.10%	October 31, 2023 Tenor: 24 months	First ranking exclusive and continuing	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Finance Bank					Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	charge on the identified loan receivables of the Company (the "Portfolio") with security coverage of at least 110% of the value of the outstanding amount.		
	Ujjivan Small Finance Bank			7.32	9.60%	November 30, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	First ranking exclusive and continuing charge on the identified loan receivables of the Company (the "Portfolio") with security coverage of at least 110% of the value of the outstanding amount.	CRISIL A+	Standard
128.	Ujjivan Small Finance Bank	Term Loan with Sanction letter dated February 24, 2023.	100.00	26.11	9.35%	March 31, 2025 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Primary: The Facility, and all interest, additional interest, further interest, liquidated damages, indemnification payments, fees, costs, expenses and other monies owing by, and all other present and future obligations and liabilities to be secured by way of a first ranking exclusive and continuing charge on the	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							identified standard loan receivables of the Borrower (the Portfolio") to be created in the mode and manner stipulated by the Bark. Throughout the tenure of the Facility Borrower shall maintain security coverage of at least 110% of the value of the outstanding amounts of the value of the facility. The Borrower shall not, under any circumstance, transfer, sell, assign or create any encumbrances over the said assets without the prior written consent of the Bank. Collateral: 10 (ten) Undated Cheques, each drawn for an amount not exceeding IN 10.00.00.000/ aggregating Facility Amount ₹100,00,00,000 (Rupees One Hundred Crores Only).		

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding[#]	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Ujjivan Small Finance Bank			38.23	9.35%	May 31, 2025 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** - Monthly	Primary: The Facility, and all interest, additional interest, further interest, liquidated damages, indemnification payments, fees, costs, expenses and other monies owing by, and all other present and future obligations and liabilities to be secured by way of a first ranking exclusive and continuing charge on the identified standard loan receivables of the Borrower (the Portfolio") to be created in the mode and manner stipulated by the Bark. Throughout the tenure of the Facility Borrower shall maintain security coverage of at least 110% of the value of the outstanding amounts of the value of the facility. The Borrower shall not, under any circumstance, transfer, sell,	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							assign or create any encumbrances over the said assets without the prior written consent of the Bank. Collateral: 10 (ten) Undated Cheques, each drawn for an amount not exceeding ₹ 10,00,00,000 aggregating Facility Amount ₹100,00,00,000 (Rupees One Hundred Crores Only).		
129.	Canara Bank	Term Loan under Credit Guarantee Scheme with Sanction letter dated September 27, 2021	100.00	23.69	7.50%	November 2, 2024 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge over book debts, receivables of the Company with a security cover of 111.11%	[ICRA]AA-	Standard
	Canara Bank			23.71	7.50%	November 2, 2024 Tenor: 36 months Repayable in 36 equal monthly instalments **Interest Payment Frequency** - Monthly	Exclusive charge over book debts, receivables of the Company with a security cover of 111.11%	[ICRA]AA-	Standard
130.	SIDBI	Term loan with Sanction letter dated August 02, 2021	150.00	40.54	12.00%	October 10, 2024 Tenor: 36 months	Exclusive charge by way of hypothecation on book debts	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 30 monthly instalments **Interest Payment Frequency** - Monthly			
131.	SIDBI	Term loan with Sanction letter dated March 02, 2023	500.00	250.27	9.16%	February 10, 2026 Tenor: 36 months Repayable in 30 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first charge by way of hypothecation of book debts/ receivables created out of the assistance availed from SIDBI.	Ind AA-	Standard
	SIDBI			100.52	9.46%	February 10, 2026 Tenor: 36 months Repayable in 30 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first charge by way of hypothecation of book debts/ receivables created out of the assistance availed from SIDBI.	Ind AA-	Standard
	SIDBI			150.78	9.46%	February 10, 2026 Tenor: 36 months Repayable in 30 monthly instalments **Interest Payment Frequency** - Monthly	Exclusive first charge by way of hypothecation of book debts/ receivables created out of the assistance availed from SIDBI.	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
132.	SIDBI	Term Loan with Sanction letter dated March 22, 2022	200.00	16.85	12.00%	February 10, 2025 Tenor: 36 months Repayable in 30 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive / first charge by way of hypothecation of book debts / receivables of the Company created out of assistance availed from SEDBI with a security cover of 100% + 10% FD	Ind AA-	Standard
133.	Bajaj Finance Limited	Term Loan with Sanction letter dated January 15, 2021	100.00	1.09	9.60%	July 29, 2023 Tenor: 24 months Repayable in 23 equal monthly instalments Interest Payment Frequency – Monthly	Exclusive first charge by way of hypothecation on the receivables of the Company with a security covers of 110%.	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
134.	Bajaj Finance Limited	Term loan with Sanction letter dated June 23, 2021.	40.00	1.67	9.90%	August 24, 2023 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables (MFI receivables) created from the proceeds of the Facility with a minimum asset cover of 1.10x on the principal amount outstanding at all point of time during the currency of the loan.	Ind AA-	Standard
135.	Bajaj Finance Limited	Term Loan with Sanction letter dated February 16, 2022	125.00	66.54	10.25%	March 2, 2025 Tenor: 36 months Repayable in 35 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive first charge by way of hypothecation on the receivables of the Company with a security cover of 110%.	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Bajaj Finance Limited			10.82	10.35%	June 30, 2025 Tenor: 36 months Repayable in 35 equal monthly instalments Interest Payment Frequency – Monthly	Exclusive first charge by way of hypothecation on the receivables of the Company with a security cover of 110%.	Ind AA-	Standard
136.	Bajaj Finance Limited	Term loan with Sanction letter dated April 27, 2022.	40.00	18.44	10.25%	April 29, 2024 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables (MFI receivables) created from the proceeds of the Facility, with a minimum asset cover of 1.10x on the principal amount outstanding at all point of time during the currency of the loan.	Ind AA-	Standard
137.	Bajaj Finance Limited	Term loan with Sanction letter dated September 06, 2022.	25.00	33.43	9.00%	September 21, 2024 Tenor: 24 months Repayable in 24 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables (MFI receivables) created from the proceeds of the Facility, with a minimum asset cover of	Ind AA-	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
							1.10x on the principal amount outstanding at all point of time during the currency of the loan.		
138.	Bajaj Finance Limited	Term loan with Sanction letter dated November 16, 2022	100.00	94.57	9.35%	February 20, 2026 Tenor: 36 months Repayable in 35 equal monthly instalments **Interest Payment Frequency** – Monthly	Exclusive first charge on the loan portfolio of the Company by way of hypothecation on the loan instalment receivables of JLG loans, created from the proceeds of the facility, with minimum asset cover of 1.10x of the principal amount outstanding at any point during the currency of the loan	Ind AA-	Standard
139.	Aditya Birla Finance Limited	Term Loan with Sanction letter dated March 19, 2021	40.00	3.37	10.75%	March 1, 2024 Tenor: 36 months Repayable in 6 half-yearly instalments **Interest Payment Frequency** – Monthly	Exclusive Charge on identified standard loan receivables of the Company with a minimum security cover 110% of the outstanding amounts.	CRISIL A+	Standard
	Aditya Birla Finance Limited			12.14	10.75%	March 1, 2024 Tenor: 36 months Repayable in 5 half-yearly instalments	Exclusive Charge on identified standard loan receivables of the Company with a	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Interest Payment Frequency – Half Yearly Terms and conditions to be decided by ABFL from time to time	minimum security cover of 110% of the outstanding amounts.		
140.	Aditya Birla Finance Limited	Term loan with Sanction letter dated 29 June 2022.	20.00	12.52	10.10%	September 22, 2024 Tenor: 24 months Repayable in 8 quarterly yearly instalments **Interest Payment Frequency** – Monthly	Exclusive hypothecation by way of charge on identified receivables created out of ABFL Funding with a minimum cover of 1.10x to be maintained at all times	CRISIL A+	Standard
141.	Aditya Birla Finance Limited	Term loan with Sanction letter dated March 13, 2023	100.00	65.37	9.75%	March 1, 2026 Tenor: 36 months Repayable in 12 quarterly yearly instalments **Interest Payment Frequency** – Monthly	Exclusive charge on identified standard loan receivables with a minimum-security cover of 1.10x	CRISIL A+	Standard
142.	Hero Fincorp Limited	Term Loan with Sanction letter dated December 24, 2021	50.00	5.64	10.05%	January 3, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments Interest Payment Frequency – Monthly	Exclusive first charge by way of hypothecation of book debts of the Company with a security cover of 110%	CRISIL A+	Standard
	Hero Fincorp Limited			23.93	10.05%	February 3, 2025 Tenor: 36 months	Exclusive first charge by way of hypothecation	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Repayable in 36 equal monthly instalments Interest Payment Frequency – Monthly	of 110% on book debts of the Company.		
143.	Shinhan Bank	Term Loan with Sanction letter dated March 30, 2022	30.00	19.88	7.80%	June 30, 2025 Tenor: 36 months Repayable in 12 equal quarterly instalments Interest Payment Frequency - Monthly	Exclusive charge on microfinance loan receivable to the extent of minimum 110% of loan outstanding amount.	CRISIL A+	Standard
144.	Union bank of India	Term Loan with Sanction letter dated March 23, 2022	75.00	24.92	7.95%	July 31, 2024 Tenor: 36 months Repayable in 35 equal monthly instalments Interest Payment Frequency - Monthly	Hypothecation of standard receivables of the company exclusively charged to Union bank to the extent of 111% of outstanding limit.	Ind AA-	Standard
	Union bank of India			24.98	7.95%	July 31, 2025 Tenor: 36 months Repayable in 35 equal monthly instalments Interest Payment Frequency - Monthly		Ind AA-	Standard
145.	Utkarsh Bank	Term loan with Sanction letter dated March 10, 2022	30.00	19.84	9.94%	June 15, 2025 Tenor: 36 months Repayable in 36 equal monthly instalments Interest Payment Frequency - Monthly	First exclusive charge on book debts/loan assets of the Company to the extent of 110% of the exposure created out of such term loan.	CRISIL A+	Standard

(in ₹ crores)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding#	Rate of Interest (% p.a.)	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
146.	Total		22,527.75	12,476.76					

**This Amount outstanding includes interest accrued, MTM adjustments and EIR adjustments*

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Any default in payment for dues or of any of the terms and conditions, would entail an additional interest charge of 2% on the entire loan, leviable from the date of the default and on default/ failure to pay the same.
(b) The additional interest rate shall be 2% in case of payment related default and 1% in case of non-creation of security.
(c) Pre-payment premium at 1% p.a. of the outstanding loan being prepaid, up to the maturity.
(d) 2% plus applicable rate of interest due non-payment of interest/principal or any other amount on the due date or breach of terms and conditions of finance documents.
(e) Default interest is payable on unpaid amounts at the rate of 2% per annum above the relevant interest rate (or other relevant applicable rate or commission) or the default rate prescribed by the RBI for the relevant Facility, whichever is lower.
(f) Penal interest at 2% p.a. for non-compliance with key financial covenants or other covenants, apart from any actions necessitated due to triggering of any events of default.

Rescheduling: None of the loan documents provides for rescheduling provisions.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Failure to pay on the due date any amount payable pursuant to a facility document, (including but not limiting to principal and interest amount payable with respect to any loan), at the place at and in the currency in which it is expressed to be payable;
(b) Failure to comply with any provision of the facility documents, to which it is a party;
(c) Any representation or statement made or deemed to be made by the Company in the facility documents (to which it is a party) or any other document delivered by or on behalf of the Company under or in connection with any facility documents, is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
(d) Occurring of a cross default event as mentioned in facility documents;
(e) The Company is unable to, is presumed or deemed to be unable to or admits its inability to, pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness or the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities) or a moratorium is declared in respect of any of its indebtedness;
(f) An application or petition has been admitted by any relevant Governmental Agency under the Insolvency and Bankruptcy Code, 2016 (as may be amended, modified or supplemented from time to time) in relation to the Company;
(g) Any action, legal proceedings or other procedure or step is taken in relation to: (a) dissolution of the Company; (b) the suspension of material payments, a moratorium of any material indebtedness of the Company; (c) a composition, assignment or arrangement with any creditor of the Company in accordance with applicable law; (d) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Borrower or any of its material assets; or (e) a reference to the relevant Governmental Agency under the provisions of the Insolvency and Bankruptcy Code, 2016; (f) enforcement of any Security Interest over any material assets of the Company, or any analogous procedure or step is taken in any jurisdiction;
(h) It is or becomes unlawful for the Company to perform any of its obligations under the facility documents or any of the facility documents or any material provision is or becomes ineffective, invalid, illegal or unenforceable;

(i) The Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) or gives notice of its intention to cease to carry on all or any substantial part of its business / fulfil its objects as conducted as at the date of the facility documents;
(j) The Company repudiates a facility document or evidences an intention to repudiate a facility document;
(k) Any governmental agency (whether de jure or de facto) nationalises, compulsorily acquires, expropriates or seizes all or any part of the business or assets of the Company;
(l) Any litigation, arbitration, investigative or administrative proceeding or enquiry is current, pending or threatened: (a) to restrain the Company's entry into, the exercise of the Company's rights under, or compliance by the Company with any of its obligations under, the facility documents;
(m) Any event or circumstance occurs which the lenders reasonably believe has or is likely to have a material adverse effect;
(n) In the opinion of the lenders: (a) the security is in jeopardy or ceases to have effect or is inadequate or insufficient; or (b) any security document pertaining to it, executed or furnished by or on behalf of the Company becomes illegal, invalid or unenforceable; or (c) a security document does not create the security Interest it purports to create over the relevant secured asset (which is subject to that security document); or (d) or if any such security document shall be assigned or otherwise transferred, amended or terminated, repudiated or revoked without the approval of the lenders;
(o) The Company or any of its assets and receivables are or become entitled to claim immunity from suit, execution, attachment or other legal process.

ii. Cash Credit / Overdraft against Fixed Deposit ("ODFD")/ Working Capital Demand Loans("WCDL") facility availed by our Company

Sr. No.	Lender's Name	Date of Sanction/ Renewal	Amount Sanctioned *(₹ in crore)*	Amount Outstanding as on June 30, 2023* *(₹ in crore)*	Repayment Date / Schedule	Security *(₹ in crore)*
1	State Bank of India	December 21, 2021	45.00	0.00	On demand	Fixed deposit amounting to ₹ 53,63,61,549
		October 27, 2021	0.05	0.00	On demand	Fixed deposit amounting to ₹ 6,51,161
		October 27, 2021	0.05	0.00	On demand	Fixed deposit amounting to ₹ 6,51,161
		October 27, 2021	0.05	0.00	On demand	Fixed deposit amounting to ₹ 6,51,161
2	Federal Bank	September 3, 2021	0.05	0.00	On demand	-
		September 3, 2021	0.05	0.00	On demand	-
3	Bank of India	October 29, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,24,012
4	Canara Bank	October 28, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,05,198
5	ICICI Bank	October 30, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,04,487
6	IDBI Bank	October 30, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,00,000
7	Citi Bank	October 21, 2021	1.00	0.00	On demand	-
8	Bank of Maharashtra	October 30, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,04,486
9	Central Bank	December 10, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,05,095
10	Axis Bank	October 29, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,04,696
		October 29, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,04,697
		October 29, 2021	0.01	0.00	On demand	Fixed deposit amounting to ₹ 1,04,694
11	Bandan Bank	October 16, 2021	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,00,000

Sr. No.	Lender's Name	Date of Sanction/ Renewal	Amount Sanctioned *(₹ in crore)*	Amount Outstanding as on June 30, 2023* *(₹ in crore)*	Repayment Date / Schedule	Security *(₹ in crore)*
12	Canara Bank	November 01, 2021	0.09	0.00	On demand	Fixed deposit amounting to ₹ 1,049,719
13	City Union Bank	February 26, 2021	1.0	0.00	On demand	-
14	Dhanlakshmi Bank	July 28, 2021	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,00,000
15	Federal Bank	July 28, 2022	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,23,433
16	ICICI Bank	July 27, 2022	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,22,435
		July 27, 2022	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,22,435
		July 30, 2022	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,00,000
		November 25, 2022	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,00,000
17	Indian Overseas Bank	December 23, 2021	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,26,252
18	Karur Vyasa Bank	July 20, 2022	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,00,000
19	Union Bank of India	July 14, 2022	0.04	0.00	On demand	Fixed deposit amounting to ₹ 5,17,263
Total			**47.85**	**0.00**		

**This Amount outstanding includes interest accrued, MTM adjustments and EIR adjustments*

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Penalty of upto 2% (on over and above the penal interest of 3%) for diversion of short term funds for long term usage or unrelated activities, till such position is rectified;
(b) Penalty of upto 5% p.a. in case of cash credit account on the irregular portion if irregular for a period of 60 days and penalty of upto 5% p.a. on the irregular portion in other cases, for the period of such irregularity;
(c) Penalty amount as applicable for overdue interest in respect of term loans and over drawings above the drawing limit in fund based working capital account on account of interest/ development of letters of credit/ bank guarantee, insufficient stocks and receivables, etc., non-submission of stock statements within 20 days of the succeeding month, non-submission of revival/ renewal data at least one month prior to the due date.
(d) Penalty of upto 2% upon any non-compliance of the financial covenants till such non-compliance is cured;
(e) Penalty of upto 2% upon any non-payment of interest/ excess drawings/ reduction in drawing limit; and
(f) Penalty of upto 10% p.a. upon non-payment of outstanding amount and will be applicable from the date of such default

Rescheduling: None of the loan documents provides for rescheduling provision.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to: ***Nil***

iii. ***External Commercial Borrowings***

Sr. No.	Lender's Name	Date of Sanction/ Renewal	Amount Sanctioned *(₹ in crores)*	Amount Outstanding as on June 30, 2023* *(₹ in crores)*	Repayment Date / Schedule	Security
1.	Blueorchard Microfinance Fund	March 16, 2022	155.16	165.43	June 3, 2027 Tenor: 60 months Repayable in 3 yearly instalments **Interest Payment** Frequency – Half-yearly	First ranking exclusive charge over identified book debts with a security cover of at 105%
2.	United States International Development Finance Corporation	August 30, 2021	286.68	246.39	April 15, 2030 Tenor: 84 months Repayable in 20 equal quarterly instalments **Interest Payment** Frequency - Quarterly	First priority exclusive Liens on all of the Secured Assets.
3.	Global Access Fund IV LP	June 26, 2023	98.472	98.37	June 29, 2029 Tenor: 72 months Repayable in 1 Bullet instalments **Interest Payment** Frequency - Quarterly	First ranking exclusive charge over hypothecated property with a minimum-security coverage of 1.0 times at all time
4.	Standard Chartered Bank	February 20, 2023	1654.00	810.55	October 19, 2026 Tenor: 40 months Repayable in 1 Bullet instalments **Interest Payment** Frequency - Quarterly	Exclusive first ranking charge on all the Identified Assets and all present and future Receivables, the Borrower Loan Documents, and proceeds thereof, from the Identified Assets
5.	Oesterreichische Entwicklungs Bank AG	June 21, 2022	164.44	165.01	March 07, 2028 Tenor: 60 months Repayable in 4 half-yearly instalments **Interest Payment** Frequency – Half-yearly	First ranking security to the satisfaction of OeEB. Asset coverage ratio of at least 100%

Sr. No.	Lender's Name	Date of Sanction/ Renewal	Amount Sanctioned *(₹ in crores)*	Amount Outstanding as on June 30, 2023* *(₹ in crores)*	Repayment Date / Schedule	Security
6.	International Finance Corporation	June 17, 2022	403.12	202.33	August 17, 2025 Tenor: 36 months Repayable in 1 bullet instalment **Interest Payment** Frequency – Half-yearly	First ranking exclusive charge over receivables with a security cover of at 100%
	International Finance Corporation			205.77	October 06, 2025 Tenor: 36 months Repayable in 1 bullet instalment **Interest Payment** Frequency – Half-yearly	First ranking exclusive charge over receivables with a security cover of at 100%
7.	HSBC Syndication	August 29, 2022	740.84	233.86	November 10, 2026 Tenor: 48 months Repayable in 5 equal half-yearly instalments **Interest Payment** Frequency – Half-yearly	Hypothecation of book debts/loan receivables by way of a first ranking, exclusive charge to the extent of 110% of the outstanding amounts
	HSBC Syndication			330.87	November 23, 2026 Tenor: 48 months Repayable in 5 equal half-yearly instalments **Interest Payment** Frequency – Half-yearly	Hypothecation of book debts/loan receivables by way of a first ranking, exclusive charge to the extent of 110% of the outstanding amounts
	HSBC Syndication			164.61	December 15, 2026 Tenor: 48 months Repayable in 5 equal half-yearly instalments **Interest Payment** Frequency – Half-yearly	Hypothecation of book debts/loan receivables by way of a first ranking, exclusive charge to the extent of 110% of the outstanding amounts
	Total		3,502.72	2,623.20		

**This Amount outstanding includes interest accrued, MTM adjustments and EIR adjustments*

Details of Outstanding Non-Convertible Securities:

i. **Private Placement of secured redeemable non-convertible debentures**

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures under various series of which ₹ 1433.814511 crore is outstanding as on June 30, 2023 the details of which are set forth below:

Sr. No.	Series of the Debentures	Debenture Name	Amount Outstanding as on June 30, 2023* *(₹ in crore)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Security	Credit Rating
1.	INE741K07223	NCD-Triodos Fair Share Fund, (Triodos Custody BV)	20.03	September 28, 2017	September 28, 2023	11.70%	72 Months	100% Exclusive charge on prime portfolio of the Company	ICRA A+
2.	INE741K07223	NCD-Triodos Microfinance Fund, (Triodos SICAC-II)	20.03	September 28, 2017	September 28, 2023	11.48%	72 Months	100% Exclusive charge on prime portfolio of the Company	ICRA A+
3.	INE741K07256	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)	162.03	November 8, 2019	November 8, 2024	9.50%	60 months	First ranking exclusive charge created by of hypothecation over identified loans / book debts of the Company with a security cover of 110%	Unrated
4.	INE741K07322	NCD-Bank of Baroda Loan-1	8.67	July 31, 2020	July 30, 2023	9.81%	36 Months	First ranking exclusive and continuing charge created on charged receivables with a minimum security cover of 110%	ICRA A+
5.	INE741K07306	NCD-Union Bank of India-1	32.99	July 3, 2020	July 3, 2023	10.00%	36 Months	First ranking exclusive and continuing charge over charged receivables with a minimum security cover of 110%	ICRA A+
6.	INE741K07421	MLD-Covered Bonds 28.08.21	115.49	August 31, 2021	September 5, 2023	9.32% XIRR (translating to 8.95% papm)	24 Months and 5 days	Hypothecation over cover pool assets (first ranking exclusive	ICRA PP MLD AA+ R (CE)

Sr. No.	Series of the Debentures	Debenture Name	Amount Outstanding as on June 30, 2023* *(₹ in crore)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Security	Credit Rating
								charge) with a security cover of 130%	
7.	INE741K07405	NCD-Blue Orchard MicroFinance Fund Loan 2	148.48	March 31, 2021	March 31, 2024	10.42%	Up to 60 months	First ranking exclusive and continuing charge to be created on specific receivables with a security cover of 105%	ICRA A+
8.	INE741K07413	NCD-Global Access Fund LP Loan-1	70.98	April 30, 2021	May 15, 2024	9.90%	36 Months and 15 days	Hypothecation of Micro loans of the Company with a security cover of 100% of outstanding loan amount	ICRA A+
9.	INE741K07439	TL- Water Credit Investment Fund Loan No.3	55.15	March 11, 2022	March 11, 2025	9.70%	36 Months	First raking exclusive charge on the Company's portfolio of Micro loans with a security cover of 100%	ICRA A+
10.	INE741K07447	MLD-Covered Bonds 27.09.22	63.15	September 27, 2022	December 27, 2024	8.45%	27 Months	First ranking exclusive and continuing charge to be created by way of hypothecation on certain identified receivables with a security cover of 110%	IND PP-MLD AA-emr'/Stable
11.	INE741K07512	NCD-FMO 2	240.64	November18, 2022	November 18, 2026	10.15%	36 Months	First ranking exclusive and continuing charge to be created by way of hypothecation on certain identified receivables with a security cover of 110%	Unrated
12.	INE741K07462	NCD (Public) Series - 1	183.16	November 23, 2022	November 22, 2024	9.45%	24 Months	First ranking exclusive and continuing	India ratings Stable

Sr. No.	Series of the Debentures	Debenture Name	Amount Outstanding as on June 30, 2023* *(₹ in crore)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Security	Credit Rating
								charge to be created by way of hypothecation on certain identified receivables with a security cover of 110%	AA- /Stable
13.	INE741K07454	NCD (Public) Series – 2	26.17	November 23, 2022	November 22, 2024	9.83%	24 Months	First ranking exclusive and continuing charge to be created by way of hypothecation on certain identified receivables with a security cover of 110%	India ratings Stable AA- /Stable
14.	INE741K07470	NCD (Public) Series – 3	209.63	November 23, 2022	November 21, 2025	9.60%	36 Months	First ranking exclusive and continuing charge to be created by way of hypothecation on certain identified receivables with a security cover of 110%	India ratings Stable AA- /Stable
15.	INE741K07488	NCD (Public) Series – 4	13.97	November 23, 2022	November 21, 2025	10.02%	36 Months	First ranking exclusive and continuing charge to be created by way of hypothecation on certain identified receivables with a security cover of 110%	India ratings Stable AA- /Stable
16.	INE741K07496	NCD (Public) Series – 5	54.67	November 23, 2022	November 23, 2027	10.00%	60 Months	First ranking exclusive and continuing charge to be created by way of hypothecation on certain identified receivables	India ratings Stable AA- /Stable

Sr. No.	Series of the Debentures	Debenture Name	Amount Outstanding as on June 30, 2023* *(₹ in crore)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Security	Credit Rating
								with a security cover of 110%	
17.	INE741K07504	NCD (Public) Series - 6	8.61	November 23, 2022	November 23, 2027	10.46%	60 Months	First ranking exclusive and continuing charge to be created by way of hypothecation on certain identified receivables with a security cover of 110%	India ratings Stable AA- /Stable
		Total	**1,433.81**						

**This Amount outstanding includes interest accrued, MTM adjustments and EIR adjustments*

Penalty Clause

a) At any time there is a payment default of any amount or principal, interest, fees or other obligations due (whether by acceleration, at maturity or otherwise) or an event of default, an additional interest rate of 2.00% p.a. above the interest rate shall be applicable on the outstanding principal amount until such default is cured.

b) Additional interest/default interest / penal interest rate of 2% (two percent) per annum above the coupon rate on the outstanding principal amount from the date of the occurrence of any event of default.

c) 2% per annum is the default rate shall apply in case of delay in execution of transaction documents as well as failure to make any payment of principal, interest or fees when due or comply with any of the financial covenants.

d) In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), an additional interest of 2% per annum in addition to the coupon rate payable on the debentures, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and up to but excluding the date on which such amount is actually paid.

e) Non-maintenance of security cover will attract penal interest of 2% p.a. over the coupon rate for the period of non-compliance.

f) In case of delay in listing of the debt securities within 15 days from the deemed date of allotment, a penal interest of 2% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor shall be applicable.

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the secured Debentures:

(a) Payment Defaults

The Company does not pay any amount payable pursuant to the debenture trust at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within such time as may be prescribed by the debenture holders.

(b) ***Misrepresentation***

Any representation or warranty made by the Company in any transaction document or in any certificate, financial statement or other document delivered to the debenture trustee/debenture holders by the Company shall prove to have been incorrect, false or misleading in any respect when made or deemed made.

(c) The Company is unable or admits inability to discharge the secured obligations in accordance with the transaction documents and/or is unable or admits inability to pay any of its debts as they fall due.

(d) ***Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator/Resolution Professional***

Any corporate action, legal proceedings or other procedure or step is taken in relation to: (i) the suspension of payments, a moratorium of any financial indebtedness, winding-up, insolvency, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company. Provided that the foregoing shall not apply to (A) any moratorium provided to the Company, or financial indebtedness of the Company rescheduled; or (B) any proceeding in respect of winding up or insolvency that is stayed, dismissed, or discharged within 150 (one hundred and fifty) days of occurrence; (ii) a composition, compromise, assignment or arrangement with any creditor of the Company, (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, resolution professional, compulsory manager or other similar officer in respect of the Company.

(e) ***Creditors' Process and Expropriation***

(i)Any expropriation, attachment, restraint, garnishee, sequestration, distress or execution affects any material Assets (other than the charged receivables) of the Company, and such proceedings are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 150 (one hundred and fifty) calendar days; (ii) Any expropriation, attachment, restraint, garnishee, sequestration, distress or execution affects any charged receivables or part thereof.

(f) ***Cessation of Business***

(i)The Company without obtaining the prior consent of the super majority debenture holders (A) ceases to carry on its business, or (B) gives notice of its intention to, or displays any intention to, ceases to carry on its business; (ii) No event of default in respect of sub-Clause (i)(B) above shall be deemed to have occurred if any occurrence referred in sub-Clause (i)(B) above is remedied within the specified timeline in the respective transaction document.

(g) ***Material Adverse Effect***

The occurrence of a material adverse effect, in the sole determination of the debenture trustee (acting on the instructions on the majority debenture holders).

(h) ***Transaction Documents***

The debenture trust deed or any other transaction document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Company.

(i) ***Unlawfulness***

It is or becomes unlawful for the Company to perform any of its obligations under the transaction documents and/or any of its obligations under any transaction document are not or cease to be valid, binding or enforceable.

(j) ***Repudiation***

The Company repudiates any of the transaction documents or evidences an intention to repudiate any of the transaction documents.

(k) ***Charged receivables***

The Company creates or attempts to create any charge on the charged receivables or any part thereof that is in addition to the charge created under the relevant transaction document.

(l) ***Security in jeopardy***

In the opinion of the debenture trustee any of the charged receivables is in jeopardy including any depreciation in the value of the charged receivables to such an extent that in the opinion of the debenture trustee, there is a requirement to provide further security to the satisfaction of the secured parties and such additional security is not provided within the specified timeline of written notice served by the debenture trustee.

(m) ***End use***

The Company utilises the proceeds raised from the issue of debentures for any activity other than the purpose or in a manner contrary to any other provisions of the debenture trust deed and such action, if capable of remedy, is not cured within the specified timeline in the transaction documents.

Collateralised borrowing and lending obligation

Our Company has neither availed any collateralised borrowing nor extended any lending obligation.

ii. Secured Redeemable non-convertible debentures (public issue):

Our Company has not issued non-convertible debentures by way of public issue.

B. Details of unsecured borrowings:

Details of Unsecured Term Loans

Sr. No.	**Lender's Name**	**Type of facility**	**Amount Sanctioned*** ***(₹ in crore)***	**Amount Outstanding as on June 30, 2023*** ***(₹ in crore)***	**Repayment Date/ Schedule**	**Credit rating, if applicable**
1.	SWED Fund International AB	July 15, 2021	111.75	122.87	June 30, 2026	NA
2.	Maanaveeya Development	December 24 2019	25.00	25.27	June 20, 2026	NA
	Total		**136.75**	**148.14**		

**This Amount outstanding includes interest accrued, MTM adjustments and EIR adjustments*

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Default interest of 2% over and above the applicable rate of interest;

(b) Cancellation penalty of 2% on the amount cancelled;

(c) Prepayment penalty of 2% on the amount prepaid (in case of any prepayment or early repayment, including upon acceleration) excluding costs incurred by the prepayment of the loan.

Rescheduling: Nil

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Failure to pay on the due date and in the currency and manner provided in the loan agreement any amount payable under it in the transaction document.

(b) Non-compliance of financial covenants

(c) Failure to comply with any of the provisions of the loan agreement or if such failure is not remedied (which is capable of remedy) on or before the specified timeline of (i) the borrower becoming aware of such failure or if notice of such failure is given by the lender.

(d) Cross default-Any financial indebtedness becomes due and payable or capable of being declared due and payable prior to the specified maturity thereof resulting from a default thereunder or if such financial indebtedness is not paid or fulfilled on its due date or within any originally applicable grace period.

(e) Insolvency-The borrower or any member of the group becomes unable to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law or any action or proceeding shall be taken by the borrower whereby the purpose of which is that any of the assets of the borrower will or may be distributed among its creditors.

(f) Unlawfulness and invalidity-It is or becomes unlawful for the borrower to perform any of its obligations under the loan agreement and/or any obligations of the borrower under the loan agreement are not or cease to be valid, binding or enforceable.

(g) Misrepresentation- Any representation or warranty made or deemed to be made by the Borrower under the loan agreement shall prove to be incorrect in any material adverse respect.

(h) Creditors' process or expropriation. Any person or entity takes possession of any property or assets of the Borrower for example through expropriation, attachment or sequestration or commences any legal or other proceeding to effect the same, or appoints a receiver or an insolvency resolution professional for all or any material part of the borrower's assets, property or revenues.

(i) Repudiation- The borrower repudiates the loan agreement or evidences an intention to repudiate the loan agreement.

(j) Change of ownership-There is a change of control.

(k) Loss of license-The borrower loses its license and/or its authorisation to conduct financing operations.

(l) Audit qualification-The auditors qualify the audited annual financial statements of the borrower, which qualification shall be deemed to be material.

Material adverse change- Any other event or circumstance occurs which, in the opinion of the lender, is likely to have a material adverse effect.

Subordinated Debts

Private Placement

Sr. No.	Series of the Debentures	ISIN	Amount Outstanding as on June 30, 2023* *(₹ in crore)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating	Secured/ Unsecured
1.	1425MMFL2024	INE500S08018	54.39	March 27, 2017	March 30, 2024	14.25%	84 Months	[ICRA]AA-	Unsecured

**This Amount outstanding includes interest accrued, MTM adjustments and EIR adjustments*

Inter-Corporate Loans, Deposits and other borrowings

Our Company does not have any Inter-Corporate Loans, Deposits and other borrowings as on June 30, 2023.

Loan from Directors and Relatives of Directors:

Our Company has not raised any loan from directors and relatives of directors as on June 30, 2023.

Details of outstanding Commercial Papers

Our Company has not issued any commercial papers as on June 30, 2023.

C. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

Our Company confirms that there has not been any servicing behaviour on existing debt securities as on the date of this Shelf Prospectus.

D. List of top 10 holders of non-convertible securities (secured and unsecured) as on June 30, 2023

S. No.	Name of holder of Non-convertible Securities	Category of holder	Amount (in ₹ crores) Face Value of holding	% of total non-convertible securities outstanding
1.	NCD-FMO 2	Financial Institution	240.00	13.53
2.	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)	Financial Institution	214.00	12.06
3.	NCD (Public) Series - 3	Public	212.49	11.98
4.	NCD (Public) Series – 1	Public	185.31	10.44
5.	NCD-Bandhan Bank Ltd - 1	Banks	145.00	8.17
6.	NCD Blue Orchard MicroFinance Fund Loan 2	Financial Institution	145.00	8.17
7.	NCD-State Bank of India - 1	Banks	100.00	5.64
8.	MLD-Covered Bonds 28.08.21	Financial Institutions/Others	100.00	5.64
9.	NCD-Global Access Find LP Loan -1	Financial Institutions	71.00	4.00
10.	MLD-Covered Bonds 27.09.22	Financial Institutions/Others	60.00	3.38

E. List of top 10 holders of commercial paper in terms of value (cumulative wages) as on June 30, 2023

Not applicable.

F. Details of bank fund based facilities/ rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares from financial institutions or financial creditors as on June 30, 2023:

Name of Party (in case of facility)/ Name of instrument	Type of facility/ instrument	Amount sanctioned/ issued	Amount outstanding*	Date of Repayment/ Schedule	Credit Rating	Secured/ Unsecured	Security
NIL							

**This Amount outstanding includes interest accrued, MTM adjustments and EIR adjustments*

G. Corporate Guarantee issued by our Company

Our Company has not issued Corporate Guarantee as on June 30, 2023.

H. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on June 30, 2023.

Our Company has nil outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on June 30, 2022.

I. Letter of Comfort issued by our Company

As on June 30, 2023, our Company has not issued Letter of Comforts

Sr. No.	Company name	Nature of Counterparty	Nature of facility	Amount outstanding
NIL				

J. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or optionally convertible debentures or preference shares as on June 30, 2023

Our Company has not availed any other borrowings including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on June 30, 2022.

Restrictive covenants under the financing arrangements:

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee/bank/lender before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

1. Permit any change in the management or constitution documents of the borrower;

2. Create any further charge, lien or encumbrance over the assets and properties of the Company;

3. Effect any changes to the shareholding of the Company to the effect that it changes the management control of the Company;

4. Make any investments by way of deposits, loans, advances or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance other than in normal course of business;

5. revalue its assets;

6. pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability m connection with any Financial Indebtedness incurred by the Borrower or in connection with any other obligation undertaken for or by the Borrower or undertake any guarantee obligations except in normal course of business;

7. induct on its Board a person whose name appears in the list of wilful defaulters (in accordance with the extant guidelines issued by the RBI) and if such a person is found on its Board. it shall take expeditious and effective steps for removal of the person from its Board;

8. buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever that may result in change in promoter or the promoter losing Control.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

For the purpose of the Issue, our Company has obtained the necessary consent from our lenders, as required under the relevant borrowing arrangements for undertaking activities relating to the Issue.

K. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Company, in the past three financial years and the current financial year.

There have been no default/s and/or delay in in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Company, in the past 3 years and the current financial year.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Our Company and our Subsidiary are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of criminal cases, civil cases and tax proceedings.

Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Company's 'Policy on Determination of Materiality' framed in terms of Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated July 21, 2023. Further, as on the date of this Tranche II Prospectus, except as disclosed hereunder, our Company, Group Companies, Promoters, MMFL (our erstwhile subsidiary, now merged with our Company), Subsidiary and Directors are not involved in: (i) any outstanding action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities); (ii) any outstanding civil litigation or tax proceedings involving our Company, Promoter, Directors, Subsidiary, Group companies or any other person where the amount is ₹ 8.26 crores (being 1% of the profit after tax of the Company for Fiscal 2023, on a standalone basis) or above; (iii) any outstanding criminal litigation; (iv) pending proceedings initiated against the issuer for economic offences and (v) any other pending litigation involving the Company, Promoter, Directors, Subsidiary, Group companies or any other person, which may be considered material by our Company for the purposes of disclosure in this section of this Tranche II Prospectus, solely for the purpose of this Issue and whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and (vi) any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Company /Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

Except as disclosed in this section, there are no (i) inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Tranche II Prospectus involving our Company, MMFL and/ or its Subsidiary, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Tranche II Prospectus involving our Company, MMFL and/ or its Subsidiary; (ii) any material fraud committed against our Company and/ or its Subsidiary in the last three years, and if so, the action taken by our Company and our Subsidiary; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act, 2013; and (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority or regulatory authority against the Promoter of our Company during the last three years immediately preceding the year of this Tranche II Prospectus, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiary, our Promoter, our Group Companies or our Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities are not impleaded as a defendant in litigation proceedings before any judicial forum.

In this section any reference to "MMFL" refers to our erstwhile subsidiary MMFL which is now merged with our Company pursuant to the Scheme of Amalgamation.

I. *Litigation involving our Company*

Material Civil Litigation against our Company

1. A public interest litigation ("**PIL**") bearing number 5640 of 2017 dated February 24, 2017, has been filed before the High Court of Judicature at Bombay (the "**High Court**") by Shivaji Anappa Kate and others (the **"Petitioners"**) against the State of Maharashtra and nine others including six Micro Finance Institutions including our Company ("**MFIs**") operating in Maharashtra (the "**Respondents**"). The Petitioners *inter alia* alleged that the agents of the MFIs adopted coercive methods including alleged harassment and torture for recovering loan dues that consequently led the relatives of certain Petitioners to commit suicide. The Petitioners further alleged that the

MFIs charged high interest rates which exceeded the rates prescribed by the RBI. The Petitioners also sought direction from the High Court to register FIR under Sections 306 and 304 of the IPC for abetment to suicide and culpable homicide and under the provisions of the Prevention of Money Laundering Act, 2002 and for certain other reliefs against the Respondents. The Court found that no orders are required to be passed in the matter at the given stage. However, in case the Petitioners are in a position to bring to the notice of the Court any specific instance about coercive recovery as alleged by the Petitioners then the Petitioners may file additional affidavit in the Court. Till then, the PIL is adjourned indefinitely.

Criminal Litigation by our Company

As on the date of this Tranche II Prospectus, the following are the outstanding criminal cases filed by our Company.

1. An FIR bearing no. 50/2010 dated April 27, 2010, was filed by M. Thimmappa Marithimmegaowda, divisional manager of our Company against Mohsin Iqbal (the "**Accused Person**") under sections 403, 408 and 420 of the IPC in relation to an alleged fraud committed by him against our Company. The Accused Person was serving as the Kendra manager in our Company and his role involves distributing loans to members and collect loan repayments. The Accused Person has allegedly been forging signatures of customers, fabricating documents and pretended as loans were disbursed and used the monies for his personal use. The FIR has been registered with the Principal Civil Judge and JMFC, Kanakapura. The matter is currently pending.

2. An FIR bearing FIR No. 109/ 10 dated August 5, 2010, was filed by Madhav Singh, a manager of our Company against Mahadev Shankar Chande ("**Accused Person**"), branch manager of our Company, under section 408 of the IPC in relation to an alleged fraud committed by him against our Company. It was alleged that the Accused Person while working as a Branch Manager, took the Cheque of the Company and withdrew ₹ 5,00,000 from company's account and ran away without depositing the same with the Company. The FIR has been registered with the JMFC, Basmath. The matter is currently pending.

3. An FIR bearing FIR No. 417 dated September 18, 2010, was filed by our Company against Shankarappa and Mohamed Arif Hussain (the "**Accused Person**"). Company filed the FIR under sections 420 and 408 of the IPC in relation to an alleged fraud committed by them against our Company. The Accused Persons were serving as employees at our Company, and their role involved collecting cash and depositing with our Company. The Accused Persons allegedly misused amounts of our Company. By order dated April 6, 2013, the Civil Judge (Junior Division) and JMFC, Heggadadevankota, Mysore took cognizance of the offence under sections 420 and 408 of the IPC. The matter is currently pending.

4. An FIR bearing FIR No. 245/ 2011 dated December 22, 2011, was filed by Anand Naik, an employee of our Company against Sandeep Kshirsagar and Pavan Agarwal, both employees of our Company (the "**Accused Persons**") under sections 406, 408, 409, 420 and 34 of the IPC in relation to alleged fraud committed by the Accused Persons against our Company. The Accused Persons allegedly misused amounts of our Company. The FIR has been registered with the First Class Magistrate ("**FCM**"), Jintur, Parbani. The matter is currently pending.

5. An FIR bearing FIR No. 89/ 12 dated June 7, 2012, was filed by Anand Naik, an employee of our Company against Anil Madhukar Chavan, assistant area manager of our Company (the "**Accused Person**") under sections 409, 465 and 381 of the IPC in relation to alleged fraud committed by the accused person against our Company. The Accused Person has allegedly created bogus documents and created fictitious loan accounts and used the proceeds of such loan accounts for his personal purpose. The FIR has been registered with Civil Judge, Junior Division, Akkalkot, JMFC. The matter is currently pending.

6. An FIR bearing FIR No. 1151/ 2011 dated November 26, 2011, was filed by our Company against Manikanda D, Nagesh, B. G. Vijay, T. Shivashankar, Shivashankar G., Vidya Shankar, D. N. Sanjay, A. Jagdish, Ramesh and Harani (the "**Accused Persons**") under section 420 of the IPC in relation to an alleged fraud committed by them against our Company. The Accused Persons served as branch managers and credit officers in our Company. The Accused Persons have colluded and cheated our Company to the tune of ₹ 2,317,231. The FIR has been registered with the 3rd Additional CMM Court, Nrupatunga Road, Bangalore. The matter is currently pending.

7. An FIR bearing FIR No. 62/ 2013 dated July 10, 2013, was filed by Sunil Narayan Badakh, an employee of our Company against Sachin Dinkar Shelke and three others, under sections 408, 467, 420, 468, 477, 34 and 120B of the IPC in relation to an alleged misuse of the Company's funds. The FIR has been registered with the FCM, Rahata Court, Ahmadnagar. The matter is currently pending.

8. An FIR bearing FIR No. 139/ 13 dated December 28, 2013, was filed by Jivan Nikam, an employee of our Company, against Parashuram Chandrakanth Raichuraker under section 381 of the IPC in relation to an alleged theft of money from the office of our Company. The FIR has been registered with the JMFC, Pune, Maharashtra. The matter is currently pending.

9. An FIR bearing FIR No. 250 dated December 7, 2014, was filed by Hanumant Dashrath Belke, branch manager at the Jintur branch of our Company, against Sachin Mandewad (the "**Accused Person**") under sections 406 and 408 of the IPC in relation to an alleged fraud committed by him against our Company and its members. The Accused Person was serving as the trainee manager in our Company and his role involved recovery of repayment and submitting the recovery at the respective branch. The Accused Person has allegedly collected repayment money from members and used the monies for his personal use. The FIR has been registered with the Civil Judge (Jr. Division Jintur) CJM and JMFC, Jintur. The matter is currently pending.

10. An FIR bearing FIR No. 0019/2020 dated February 2, 2020, was filed by Gopal M, an employee of our Company, against Puttaraju and others, employees of our Company under section 380 of the IPC in relation to a theft of money deposited in a safe locker of the branch of the Company. The FIR has been registered with the Principal Civil Judge (Senior Division) and Court of the Chief Judicial Magistrate, Hassan District, Sakaleshapura. The matter is currently pending.

11. An FIR bearing FIR No. 62/2018 dated May 18, 2018, was filed by Abdul Magbhul Basha, divisional manager of our Company, against Satish Balu Hirote, Nandlal Namdev Patil, Somnath Mandal, Shashikanth Tribhuvan and Vishal Shelke, employees of our Company under section 420 of the IPC in relation to the alleged creation of fictitious loans and misappropriation of loan money. The FIR has been registered with the Civil Judge and JMFC, Sakri. The matter is currently pending.

12. A private complaint dated January 29, 2019, was filed by our Company against Sanam Sharma, Mo. Javid, Shubham Joshi, Pramod Khode and Laxman Mujalde, employees of our Company under section 120 B, 408, 420, 424, 463, 464, 468 and 474 of the IPC in relation to an alleged offence of fraud, misappropriation and embezzlement for an amount of ₹16,05,000, out of which a sum of ₹5,02,751 has been recovered. The complaint has been filed with the First Additional Civil Judge and JMFC at Sardarpur. The matter is currently pending.

13. An FIR bearing FIR No. 0004/2019 dated January 7, 2019 was filed by Venkat Naik an employee of our Company, against Ramesh Yamanappa Bandi and Ashok Tavanappa Honawad, employees of our Company under section 406, 408, 465, 467, 468, 471 and 420 of the IPC in relation to the alleged creation of fictitious loans and collection of pre-closure amounts on loans from the customers. The FIR has been registered with the Principal Civil Judge (Junior Division) and JMFC Court, Sankeshwar, Belgaum. The police after investigation of the matter, have filed a "B" before the court stating lack of evidence in the matter. The Company has challenged the said "B" report by filing a memo before the court and objecting the "B" report of the police ("**Memo**"). The Memo is currently pending for court consideration.

14. An FIR bearing FIR No. 133 dated June 25, 2010, was filed by Sri Suresh R.P. branch manager of our Company, against Narayana M, an employee of our Company under section 468, 471 and 420 of the IPC in relation to the alleged creation of fictitious loan. The FIR has been registered with the III Additional Civil Judge (Junior Division) and JMFC, Mysore. The matter is currently pending.

15. An FIR bearing FIR No. 0072/2021 dated February 10, 2021, was filed by Sanjay Babu Rao, Area Manager of our Company, against Dhammapal, an employee of our Company under section 408 and 420 of IPC in relation to the alleged misappropriation of loan recovery money. The FIR has been registered with the Police Station Akluj. The matter is currently pending.

16. An FIR bearing FIR No. 35/2021 dated July 28, 2021 was filed by Sachin Ankurnekar, an employee of our Company, against Ramkrushna Eknath Saindhane, employee of our Company under section 408 of IPC, in relation to the alleged misappropriation of loan recovery money. The FIR has been registered with the Civil Judge J.D. and JMFC, Yeola. The matter is currently pending.

17. An FIR bearing FIR 402/2021 dated October 26, 2021, was filed by an official of our Company, against an unknown person under section 169,177 of IPC in relation to the alleged attempt to commit theft while he was travelling after his duty of recovering loans from women members who have taken loans from the Company. The FIR has been registered with the 4th Jt. Civil Judge SD and Addl. CJM Nanded. The matter is currently pending.

18. An FIR bearing FIR No. 30/2022 dated January 17,2022 was filed by Akash Ashok Kamble, an employee of our Company against Rakesh Ananda Sathe under sections 289, 323, 324, 504 and 506 of IPC in relation to an alleged act of assault. The alleged act of assault was committed when official was engaged in his duty for collection of loan repayments on behalf of our Company. The FIR has been registered with the Vita Police Station. The matter is currently pending.

19. An FIR bearing No. 67 /2022 dated January 28, 2022 was filed by Sachin Shankar Bharti, an employee of our Company against three unknown persons under section 392 of IPC in relation to an alleged act of robbery. The alleged act of robbery was committed when our official was in his duty for collection of loan repayments on behalf of our Company. The FIR has been registered with the Rahuri Police Station. The matter is currently pending.

20. An FIR bearing No. 15 /2022 dated February 07, 2022 was filed by Aditya Vinod Narwade, an employee of our company against an unknown person under section 324, 341 and 34 of IPC in relation to an alleged act of assault. The alleged act of assault was committed when the official of our Company was engaged in his duty for collection of loan repayment on behalf of our Company. The FIR has been registered with the Dahegaon Gosavi Police Station. The matter is currently pending.

21. An FIR bearing No. 137/2022 dated March 09, 2022 was filed by Pradip Vasudeo Lande , an employee of our company against three unknown persons under section 392 of IPC in relation to an alleged act of robbery. Three said accused followed our filed official engaged in field collection, threw chilli powder in the eyes of the official and fled with cash of ₹ 1,64,980. The FIR has been registered with the Bokardan Police Station.

22. An FIR bearing FIR No. 215 /2022 was filed by Sunil Seshrao Padale, an employee of our company against three unknown persons under section 392 of IPC read with section 25(3) of Indian Arms Act in relation to an alleged act of robbery. The alleged act was committed when our official was returning from group meeting with collection money, when he was followed by 3 unknown persons on their bikes& they forcibly snatched away the cash bag & fled away. The FIR has been registered with the MIDC police station. The matter is currently pending.

23. An FIR bearing FIR No. 170 /2022 was filed by Mr. Maroti, an employee of our Company against three unknown persons, under section 392 read with 34 of IPC, in relation to an alleged act of robbery. The alleged act was committed when our official was returning from group meeting with collection money amounting to ₹ 89,600, when he was followed by three unknown persons on their bikes, and they forcibly stopped him and snatched away the cash bag & fled away. The FIR has been registered with the Police Station, Bhokar. The matter is currently pending.

24. An FIR bearing FIR No. 159/2022 was filed by Mr. Suraj Subhash Ingale, an employee of our company against two unknown persons, under section 379 read with 34 of IPC, in relation to an alleged act of robbery. The alleged act was committed when our official was returning from group meeting with collection money, when he was followed by 2 unknown persons on their bikes& they forcibly stopped him, showed knife and snatched away the money and fled away with cash of ₹ 1,15,841. The FIR has been registered with the Jamner Police Station, Jalgaon Dist. The matter is currently pending.

25. An FIR bearing No. 0584/2022 was filed by Mr. Rohit Gundappa Khatkar, an employee of our company, against two unknown persons, under section 393 read with section 34 of IPC in relation to an alleged act of attempt to commit robbery. The alleged act was committed when our official was returning from group meeting with collection money and was followed by two unknown persons on bike. The duo stopped our official and as he slowed down his bike the accused tried to snatch the cash bag, however because of resistance and good presence of mind of the complainant, the complainant saved the cash bag from the accused and the accused fled from the spot. The FIR has been registered with the Jath Police Station, Sangli Dist. The matter is currently pending.

26. There are 529 cases filed by our Company pending before various forums across the country for an alleged offence under section 138 of the Negotiable Instruments Act, 1881 by the customers/ debtors of our Company which involves an aggregate sum of ₹ 5.06 crores.

27. An FIR bearing FIR No. 99/2022 was filed by the Company through its representative from Barharwa branch against one kendra manager namely Chandan Kumar Yadav, under sections 379,406 and 420 of IPC, in relation to an act of misappropriated the collection money of ₹ 44,803. The FIR has been registered with Ranga police station, Jharkhand. The matter is currently pending.

28. An FIR bearing FIR No.11207061230119/ 2023 was filed by Mr. Dilip Kumar, our employee against Mr. Ratnabhai Mulabhai Chamar under sections 408, 468, and 471 of IPC in relation to an alleged act of a manager who created fictitious loan accounts and used it for personal use and this misappropriated the company's money to the tune of ₹ 28,85,000. The FIR has been registered with the Sahesra Police Station, Punchmaha District, Gujarath. The matter is currently pending.

29. An FIR bearing FIR No. 81/2023 was filed by Mr. Shiv Shankar Singh, the branch manager at the Bargham branch, against Mr. Tun Tun Kumar under section 406 & 420 of IPC in relation to an alleged act of misappropriation of company's money to the tune of Rs 5,82,580. The FIR has been registered with Bhargam Police Station, Bihar. The matter is currently pending.

30. An FIR bearing FIR No. 0064/2023 was filed by Mr. Sachin Balu Chavan, our employee against an unknown person under section 379 of IPC in relation to an alleged act of theft of ₹ 1,77,253 in the branch. The FIR has been registered with Jalna Taluka Police Station, Maharashtra. The matter is currently pending.

31. An FIR bearing FIR No. 0012/2023 was filed by Mr. Pravin Anandrao Chakore, our employee, against Mr. Suraj Shankar, Shaik Shami and Pandari, under section 392 and 34 of IPC in relation to an alleged act of robbery of amount to the tune of ₹ 46,425. The FIR has been registered with Usmannagar Police station (Nanded), Maharshtra. The matter is currently pending.

32. An FIR bearing FIR No. 248/2023 was filed by Mr. Aaakash Anil Patil, our employee, against two unknown persons under section 394 and 34 of IPC in relation to an alleged act of robbery of amount to the tune of ₹ 67,143. The FIR has been registered with Raver Police Station, Maharashtra. The matter is currently pending.

33. An FIR bearing FIR No. 176/2023 was filed by Mr. Nitin Devidas Kakade, our employee, against Mr. Daviraj and Karan Rajendra under section 393 of IPC, in relation to an alleged act of attempt to commit robbery. The FIR has been registered with Shivajinagar Police, Maharashtra. The matter is currently pending.

Actions Taken by Regulatory and Statutory Authorities against our Company

1. Our Company received a show cause notice C-18 dated May 31, 2023 ("**SCN**") under section 45-A of the Employees State Insurance Act, 1948 ("**ESI Act**") by the sub-regional office of the Employees' State Insurance Corporation, SRO – Mysore determining the arrears of ESI contribution payable by our Company under Section 39 and 40 of the ESI Act read with regulations 29 and 31 of the Employees State Insurance (General) Regulations in respect of employees working in Udayagiri (Hasan) unit of the employer in respect of the claim under the SCN. The arrear of contribution was deterimined by the authority from May 1, 2018 to August 31, 2018 amounting to ₹ 8,94,894. Our Company has preferred an appeal on July 21, 2023 as per Section 45-AA of the ESI Act before the appellate authority. The appeal is pending for consideration.

Tax Litigation involving our Company

1. ***Income Tax***

   (a) The Office of Deputy Commissioner of Income Tax Circle 2(1)(1), Bangalore ("**IT Department**") issued a show cause notice dated December 22, 2019, against our Company for *inter alia*, making of other deduction in Schedule BP, deduction of ancillary borrowing costs from the profit and loss account, claim for reversal of provision made for doubtful assets such as fraud and misappropriation, and claiming CSR expenses as deduction under Section 80G of the IT Act. The IT Department, pursuant to its assessment order dated December 28, 2019, disallowed other deduction in Schedule BP, disallowed (i) the deduction of ancillary borrowing costs from the profit and loss account, and (ii) the claim for reversal of provision made for doubtful assets like fraud and misappropriation, and added the amounts to the income of our Company. It further disallowed the claim to treat CSR expenses as deductions under Section 80G of the IT Act, as such expenses do not qualify as donations, adding back such amount to our Company's returned income. Accordingly, the IT Department made additions aggregating to ₹ 6.503 crores to our Company's returned income' for the purposes of income tax Pursuant to the order, our Company has filed an appeal dated January 24, 2020, under Section 248 of the IT Act on grounds laid down in Sections 143, 37, 28, 80G, 234B and 246A of the IT Act, before the Commissioner of Income Tax (Appeals) against the assessment order. The matter is currently pending

(b) An order dated February 28, 2023 issued by the National Faceless Assessment Centre ('NFAC') amounting to Rs 122.63 Crore. The demand raised by the NFAC is on account of (i) difference in valuation assumed by Assessing Officer towards acquisition of MV Microfin during financial year 2017-2018 and (ii) disallowance of write back/ reversal of Non performing Asset('NPA') provision. Company had filed a rectification petition on March 01, 2023 with the jurisdictional assessing officer under Section 154 of the IT Act, with respect to obvious errors apparent from records. Further, the Company had filed an appeal with the Commissioner of Income Tax ('CIT') (Appeal) on March 27, 2023 under the provisions of the IT Act. The matter is currently pending with authorities.

II. *Litigation involving our erstwhile Subsidiary MMFL (now merged with our Company)*

Criminal Litigation by our erstwhile Subsidiary MMFL (now merged with our Company)

1. There are 226 cases filed by MMFL pending before various forums across the country for an alleged offence under section 138 of the Negotiable Instruments Act, 1881 by the customers/ debtors of MMFL which involves an aggregate sum of ₹ 1.485 crores.

2. An FIR bearing No. 25 /2022 dated January 21, 2022, was filed by Omprakash Ankushrao Lonikar, Area Manager of MMFL, against Hanuman Dhondiba Buchade, an employee of MMFL, under section 420 and 409 of IPC in relation to an alleged act of cash misappropriation. The accused alleged to have collected loan repayment amount from the customers of MMFL and not deposited with the concerned branch of MMFL. The FIR has been registered with the Udgir Grameen Police station. The matter is currently pending.

3. An FIR bearing FIR No. 178/2022 dated March 11, 2022, was filed by Bhavendra Kumar Jha, Area Manager of MMFL, against Mr. Brijesh Kumar, Prashanth Kumar, employees of MMFL in capacity as Branch Manager and Cashier, under section 406, 420 and 34 of IPC in relation to an alleged act of criminal breach of trust and cheating. The accused were in charge and control of the cash vault during the relevant period of time when the offence was alleged to have been committed. The FIR has been registered with Sitamarhi Police station. The matter is currently pending.

4. An FIR bearing FIR No. 0965/2021 dated October 24, 2021, was filed by Suraj Singh Balaji Takur, the Branch Manager of MMFL, against Kiran Gautam Sarvagod, an employee of MMFL, under section 420 and 406 of IPC in relation to an alleged act of cash misappropriation. The accused alleged to have collected loan repayment amount from the customers of MMFL and not deposited with the branch. The FIR has been registered with the Mohol Police station. The matter is currently pending.

5. An FIR bearing FIR 59/2022 dated January 30, 2022, was filed by Pandiyan, the Manager of MMFL, against Mathivanan employee of MMFL, under section 417 and 420 of IPC in relation to an alleged act of cash misappropriation. The accused alleged to have collected loan repayment amount from the customers of MMFL and not deposited with the concerned branch of MMFL. The FIR has been registered with Oddanchatran Police station. The matter is currently pending**.**

Actions Taken by Regulatory and Statutory Authorities against our erstwhile Subsidiary MMFL (now merged with our Company)

1. An enquiry under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**Act**") was initiated against MMFL, by the Assistant Provident Fund Commissioner on the basis of a report dated November 12, 2012, filed by the Enforcement Officer. The Enforcement Officer in his report alleged that (i) 15 employees were found not enrolled as member of Employees Provident Fund Scheme, 1952 with a sum of ₹ 0.003 crores due towards contribution in respect of such employees, and (ii) the salary paid to the employees during the period October to November with the wage structure comprising of basic, HRA, medical allowance, conveyance allowance and other allowance which was altered by MMFL two times thereafter in November and December was less than the minimum wages in various categories as prescribed by the Government of Tamil Nadu. MMFL in its response contended that (i) the 15 people were given some data entry work occasionally and were not required to work in the premises of the establishment, (ii) they engaged certain part time employees from Member Welfare Associations who work in their spare time and hence all statutory contributions were not due for them, and (iii) many employees had already left the service of the establishment and therefore dues shall not be determined on wages paid to them. The Regional Provident Fund Commissioner II after observing the evidence, imposed a penalty of ₹ 0.253 crores on MMFL by an order dated February 28, 2013 ("**Order**") under Section 7-A of the Act.

MMFL filed an appeal before the Employees Provident Fund, Appellate Tribunal, Delhi ("**Tribunal**") challenging the said Order. The Tribunal on December 24, 2013, set aside the Order on the grounds that such part time and casual employees are not treated as employees under section 2(f) of the Act and hence provident fund contributions shall not be attracted. Aggrieved by the Tribunal's judgement the Central Board of Trustees, Employee Provident Fund Organization through the Regional Provident Fund Commission filed a Writ Petition No. 6759/2016 before the High Court of Madras ("**HC**") to set aside the Tribunal's order and stay all further proceedings. MMFL in response filed a counter affidavit dated August 26, 2018, before the HC for dismissal of the same. The matter is currently pending before the HC.

2. The Financial Intelligence Unit of the Ministry of Finance ("**FIU**"), issued a show-cause notice dated March 6, 2020 ("**SCN**") to MMFL under Section 13 of Prevention of Money Laundering Act, 2002, ("**PML Act**") for contravention of Section 12 of the PML Act and Rules 7 and 9 of the Prevention of Money Laundering Rules, 2005 for failing to carry out, (i) risk assessment to mitigate money laundering and terrorist financing risk, (ii) internal mechanism for detecting the transactions with its clients, (iii) screening of customers with watch lists/sanction list, designated individuals/entities under the Unlawful Activities (Prevention) Act, 1962, and those suspected of having terrorist links and (iv) client due diligence, and to show cause as to why suitable directions including penalty should not be imposed on it. On August 28, 2020, FIU issued a notice to MMFL to respond to the SCN within a period of 15 days, or for the matter to be decided ex-parte. MMFL submitted its response dated September 1, 2020, stating that (i) it has complied with guidelines issued by the RBI, (ii) was conducting borrowers verification, money laundering and terrorist financing checks and (iii) has developed a stringent Know Your Customer (KYC) policy. MMFL has requested for condonation of delay pursuant to the response letter dated September 1, 2020, and to accept the clarifications in relation to the non-compliances. The matter is currently pending

Compounding of offences in the last three years immediately preceding the year of this Tranche II Prospectus involving our erstwhile Subsidiary MMFL (now merged with our Company)

1. MMFL has filed an application dated December 9, 2019, under Section 441(1) of the Companies Act, 2013 for compounding of potential lapse under Section 67 and other applicable provisions of the Companies Act, 2013 with the Regional Director, Chennai ("**Regional Director**") for contravention of provisions of the Section 67(3) of Companies Act, 1956 and the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("**SEBI DIP Guidelines, 2000**"). On July 4, 2006, and September 1, 2006, MMFL had allotted 1,34,300 equity shares to 350 shareholders, in violation of the said provisions of the Companies Act, 1956 and the SEBI DIP Guidelines, 2000. The 350 shareholders were part of the select offerees list and known to or identified by MMFL and were not members of the general public. MMFL submitted that the lapse committed was inadvertent, unintentional and was not prejudicial to public interest. MMFL, pursuant to its response dated September 24, 2020, stated that the managing director at the time of the occurrence of the contravention, had passed away in 2007 and accordingly cannot file a compounding application.

   Further, MMFL also filed a settlement application with SEBI to settle the violation of provisions of Section 67(3) of Companies Act, 1956 and the SEBI (Disclosure and Investor Protection) Guidelines, 2000 on October 19, 2020. However, the settlement application filed with the SEBI was returned by the SEBI pursuant to its letter dated August 10, 2020 ("**SEBI Letter**"). In terms of the SEBI Letter, SEBI directed MMFL to refile the settlement application after having completed the exit offer process as laid down by SEBI in circular bearing reference no. CIR/CFD/DIL3/18/2015 dated December 31, 2015 amended by Circular dated May 3, 2016 on the issue of Shares to selected offerees in 2006, the board of directors of MMFL pursuant to a resolution passed by circulation on September 7, 2020 had approved providing exit to the current shareholders of MMFL as per the exit offer process as laid down by the SEBI Circulars and accordingly, Mr. M Narayanan, one of the promoters, had provided exit option to 57 identified shareholders and post which filed a compounding application with the SEBI for violation of Section 67 of the Companies Act, 2013. Thereafter, MMFL had filed application with the Regional Director, Ministry of Corporate Affairs, Southern Region, Chennai as well as SEBI. The application filed with Regional Director, Ministry of Corporate Affairs, Southern Region, Chennai has been rejected vide its order dated April 26, 2021 and MMFL vide its letter to the SEBI dated June 28, 2021, had withdrawn the Settlement Application stating that the proceedings before the Regional Director, Chennai for compounding of offence under the Companies Act, in relation to the same fact scenario have not yet been concluded and undertaken to re-submit a fresh voluntary settlement application to resolve the aforesaid issue, once the Compounding Proceedings have been completed by the Regional Director, Chennai. However, as on the current date, the matter is pending before the Regional Director, Chennai. See, "*Risk Factors - Our erstwhile Subsidiary MMFL (now merged with our Company) had allotted certain equity shares to shareholders in violation of Section 67(3) of Companies Act, 1956 and the*

Securities and Exchange Board of India (erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000)" on page 37**.**

III. Litigation involving our Subsidiary i.e. CreditAccess India Foundation

Criminal Litigation by our Subsidiary i.e. CreditAccess India Foundation

There are no material cases involving our Subsidiary i.e. CreditAccess India Foundation pending before various forums across the country.

IV. Litigation involving our Directors

Actions Taken by Regulatory and Statutory Authorities against our Directors

Nil

V. Material litigation or legal or regulatory actions involving our Promoter as on the date of this Tranche II Prospectus

Criminal Litigation by our Promoter

There are no outstanding criminal proceedings involving our Promoter.

Civil Litigation by our Promoter

There are no material outstanding civil proceedings involving our Promoter.

Regulatory proceedings against our Promoter

There are no outstanding regulatory proceedings involving our Promoter.

VI. Litigation involving group companies

Our Company has no identified group companies.

VII. Details of acts of material frauds committed against our Company and our Subsidiary in the last three financial years and current financial year, if any, and if so, the action taken by our Company

In accordance with the Master Directions – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016, the Audit Committee of our Company monitors and reviews all frauds involving an amount of ₹1 crore or more. There have been no acts of material frauds, i.e., frauds involving an amount of ₹1 crore or more, committed against our Company in the last three years. Further, there have been no acts of material frauds i.e., frauds involving an amount of ₹ 1 crore or more, against our Subsidiary in the last three years.

There have been instances of fraud (more than ₹1 lakh), which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company from financial year beginning from April 01, 2020 till August 11, 2023.

The list of frauds against the Company in the last three fiscals and current financial year:

For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
1 instance aggregating to ₹ 0.06 crores was reported	2 instances aggregating to ₹ 0.31 crores were reported	2 instances aggregating to ₹ 0.11 crores were reported	3 instance aggregating to ₹ 0.09 crores was reported

The total amount involved in all acts of fraud committed against our Company is set forth below:

S. No.	Year	Gross Amount (₹ in lakh)	Modus Operandi	Recovery (₹ in lakh)	Provisions (₹ in lakh)	Action Taken by the Company
1.	2020-2021	4.27	Misappropriation of pre-closure amounts and collection amounts	0	4.27	Staff terminated and police complaint filed
2.	2020-2021	2.43	Misappropriation of loan disbursal amounts, pre-closure amounts and collection amounts	2.43	0	Staff resigned and police complaint filed
3.	2020-2021	2.45	Misappropriation of loan disbursal amounts, pre-closure amounts and collection amounts	2.45	0	Staff resigned and police complaint filed
4.	2021-2022	9.16	Theft of cash from the cash vault in the branch	8.13	1.03	Staff terminated and police complaint filed
5.	2021-2022	2.39	Misappropriation of collection amounts	0.56	1.83	Staff terminated and police complaint filed
6.	2022-2023	28.85	Issue of dummy loans, misappropriation of collection amounts, pre closure amounts and vault cash	6.30	22.55	Staff terminated and police complaint filed
7.	2022-2023	2.52	Misappropriation of loan disbursal amount, collection amounts	0.49	2.03	Staff terminated and police complaint filed
8.	2023-2024	5.83	The staff absconded with bank cash deposit amount.	5.83	0.00	Staff terminated and police complaint filed

VIII. *Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues, delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon, in the last three financial years and current financial year*

Except for the details hereinbelow, our Company confirms that there has been no default in repayment of statutory dues; delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon, in the last three financial years and current financial year:

Nature of Statutory Due	Due date for payment	Amount in ₹	Status as on date
Provident Fund	May 15, 2022	23,155	Unpaid
Provident Fund	June 15, 2022	9,521	Unpaid
Provident Fund	July 15, 2022	107	Unpaid
Provident Fund	August 15, 2022	6,011	Unpaid
Provident Fund	September 15, 2022	15,517	Unpaid
Provident Fund	October 15, 2022	11,041	Unpaid

IX. *Summary of reservations or qualifications or adverse remarks of auditors in the last three financial years immediately preceding the year of issue of this Tranche II Prospectus and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.*

Our Company confirms that there was no modification i.e., unmodified opinion given by Deloitte Haskins & Sells in their audit report for Fiscal 2021 and the Joint Statutory Auditors in the audit report for Fiscal 2022 and 2023, except that the auditors for the relevant years have included certain emphasis of matters ('**EOM**') in their respective reports on the audited standalone and consolidated financial statements issued for the Fiscal 2021 and 2023. However, the said EOM did not lead to any modification/qualification. . For details, please see "*Risk Factor - Our statutory auditors have highlighted certain emphasis of matters to their audit reports relating to our audited financial statements, which may affect our future financial results*".

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Tranche II Prospectus contains all information with regard to the Issuer and the issue which is material in the context of the issue, that the information contained in the Shelf Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

Authority for the Issue

At the meeting of the Board of Directors of our Company held on March 23, 2022, the Directors approved the issue of NCDs to the public up to an amount not exceeding ₹ 1,500 crore in different tranches. The Issue for an amount not exceeding ₹1,500 crores has been approved by the EBI Committee of the Board of our Company in its meeting dated September 23, 2022. This Tranche II Issue falls within the Shelf Limit.

Further, the present Issue is within the borrowing limits of ₹ 20,000 crores under Sections 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company vide their resolution passed at the Annual General Meeting held on July 30, 2021.

The Issue is within the borrowing limit approved by the shareholders.

Prohibition by SEBI/ Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or the Promoter and/or our Promoter Group and/or the Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter, is a Director or promoter of another company which has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our Directors and/or our Promoter has been declared as fugitive economic offenders.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Tranche II Prospectus.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on date of this Tranche II Prospectus.

No regulatory action is pending against the issuer or its promoters or directors before the Board or the RBI.

Willful Defaulter

Our Company, and/or our Directors and/or our Promoter have not been categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI, ECGC or any government/regulatory authority. The issuer has not defaulted in payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months. None of our Directors and/or our Promoter, is a whole-time director or promoter of another company which has been categorised as a wilful defaulter.

Other confirmations

None of our Company or our Directors or our Promoter, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Tranche II Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Further, it is confirmed that:

i. Our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so specified by SEBI;

ii. Our Company has a net worth of at least rupees five hundred crore, as per the audited balance sheet of the preceding financial year i.e., Fiscal 2023;

iii. Our Company has a consistent track record of operating profits for the last three financial years;

iv. securities to be issued have been assigned a rating of **not less than "AA-"** category or equivalent by a credit rating agency registered with SEBI;

v. Our Company is not in default for:

   a. the repayment of deposits or interest payable thereon; or
   b. redemption of preference shares; or
   c. redemption of debt securities and interest payable thereon; or
   d. payment of dividend to any shareholder; or
   e. repayment of any term loan or interest payable thereon,

   in the last three financial years and the current financial year.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, A. K. CAPITAL SERVICES LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 18, 2023 WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS TRANCHE II ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

THE LEAD MANAGER CONFIRMS THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED SEPTEMBER 23, 2022 FILED WITH THE STOCK EXCHANGES. NATIONAL STOCK EXCHANGE OF INDIA LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER NO DCS/BM/PI-BOND/013/22-23 DATED OCTOBER 3, 2022 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: NSE/LIST/D/2022/0142 DATED OCTOBER 3, 2022 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THE ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THE ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THE ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS TRANCHE II ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN

CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF RBI

A COPY OF THIS TRANCHE II PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS TRANCHE II PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.

DISCLAIMER STATEMENT OF INDIA RATINGS & RESEARCH PRIVATE LIMITED

IN ISSUING AND MAINTAINING ITS RATINGS, INDIA RATINGS RELIES ON FACTUAL INFORMATION IT RECEIVES FROM ISSUERS AN UNDERWRITERS AND FROM OTHER SOURCES INDIA RATINGS BELIEVES TO BE CREDIBLE. INDIA RATINGS CONDUCTS A REASONABLE INVESTIGATION OF THE FACTUAL INFORMATION RELIED UPON BY IT IN ACCORDANCE WITH ITS RATINGS METHODOLOGY AND OBTAINS REASONABLE VERIFICATION OF THAT INFORMATION FROM INDEPENDENT SOURCES TO THE EXTENT SUCH SOURCES ARE AVAILABLE FOR A GIVEN SECURITY.

THE MANNER OF INDIA RATINGS FACTUAL INVESTIGATION AND THE SCOPE OF THE THIRD-PARTY VERIFICATION IT OBTAINS WILL VARY DEPENDING ON THE NATURE OF THE RATED SECURITY AND ITS ISSUER, THE REQUIREMENTS AND PRACTICES IN INDIA WHERE THE RATED SECURITY IS OFFERED AND SOLD, THE AVAILABILITY AND NATURE OF RELEVANT PUBLIC INFORMATION, ACCESS TO THE MANAGEMENT OF THE ISSUER AND ITS ADVISERS, THE AVAILABILITY OF PRE-EXISTING THIRD-PARTY VERIFICATIONS SUCH AS AUDIT REPORTS, AGREED-UPON PROCEDURES LETTERS, APPRAISALS, ACTUARIAL REPORTS, ENGINEERING REPORTS, LEGAL OPINIONS AND OTHER REPORTS PROVIDED BY THIRD PARTIES, THE AVAILABILITY OF INDEPENDENT AND COMPETENT THIRD-PARTY VERIFICATION SOURCES WITH RESPECT TO THE PARTICULAR SECURITY OR IN THE PARTICULAR JURISDICTION OF THE ISSUER, AND A VARIETY OF OTHER FACTORS.

USERS OF INDIA RATINGS SHOULD UNDERSTAND THAT NEITHER AN ENHANCED FACTUAL INVESTIGATION NOR ANY THIRD-PARTY VERIFICATION CAN ENSURE THAT ALL OF THE INFORMATION INDIA RATINGS RELIES ON IN CONNECTION WITH A RATING WILL BE ACCURATE AND COMPLETE. ULTIMATELY, THE ISSUER AND ITS ADVISERS ARE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION THEY PROVIDE TO INDIA RATINGS AND TO THE MARKET IN OFFERING DOCUMENTS AND OTHER REPORTS. IN ISSUING ITS RATINGS INDIA RATINGS MUST RELY ON THE WORK OF EXPERTS, INCLUDING INDEPENDENT AUDITORS WITH RESPECT TO FINANCIAL STATEMENTS AND ATTORNEYS WITH RESPECT TO LEGAL AND TAX MATTERS. FURTHER, RATINGS ARE INHERENTLY FORWARD-LOOKING AND EMBODY ASSUMPTIONS AND PREDICTIONS ABOUT FUTURE EVENTS THAT BY THEIR NATURE CANNOT BE VERIFIED AS FACTS. AS A RESULT, DESPITE ANY VERIFICATION OF CURRENT FACTS, RATINGS CAN BE AFFECTED BY FUTURE EVENTS OR CONDITIONS THAT WERE NOT ANTICIPATED AT THE TIME A RATING WAS ISSUED OR AFFIRMED.

INDIA RATINGS SEEKS TO CONTINUOUSLY IMPROVE ITS RATINGS CRITERIA AND METHODOLOGIES, AND PERIODICALLY UPDATES THE DESCRIPTIONS ON ITS WEBSITE OF ITS CRITERIA AND METHODOLOGIES FOR SECURITIES OF A GIVEN TYPE. THE CRITERIA AND METHODOLOGY USED TO DETERMINE A RATING ACTION ARE THOSE IN EFFECT AT THE TIME THE RATING ACTION IS TAKEN, WHICH FOR PUBLIC RATINGS IS THE DATE OF THE RELATED RATING ACTION COMMENTARY. EACH RATING ACTION COMMENTARY PROVIDES INFORMATION ABOUT THE CRITERIA AND METHODOLOGY USED TO ARRIVE AT THE STATED RATING, WHICH MAY DIFFER FROM THE GENERAL CRITERIA AND METHODOLOGY FOR THE APPLICABLE SECURITY TYPE POSTED ON THE WEBSITE AT A GIVEN TIME. FOR THIS REASON,

YOU SHOULD ALWAYS CONSULT THE APPLICABLE RATING ACTION COMMENTARY FOR THE MOST ACCURATE INFORMATION ON THE BASIS OF ANY GIVEN PUBLIC RATING.

RATINGS ARE BASED ON ESTABLISHED CRITERIA AND METHODOLOGIES THAT INDIA RATINGS IS CONTINUOUSLY EVALUATING AND UPDATING. THEREFORE, RATINGS ARE THE COLLECTIVE WORK PRODUCT OF INDIA RATINGS AND NO INDIVIDUAL, OR GROUP OF INDIVIDUALS, IS SOLELY RESPONSIBLE FOR A RATING. ALL INDIA RATINGS REPORTS HAVE SHARED AUTHORSHIP. INDIVIDUALS IDENTIFIED IN AN INDIA RATINGS REPORT WERE INVOLVED IN, BUT ARE NOT SOLELY RESPONSIBLE FOR, THE OPINIONS STATED THEREIN. THE INDIVIDUALS ARE NAMED FOR CONTACT PURPOSES ONLY.

RATINGS ARE NOT A RECOMMENDATION OR SUGGESTION, DIRECTLY OR INDIRECTLY, TO YOU OR ANY OTHER PERSON, TO BUY, SELL, MAKE OR HOLD ANY INVESTMENT, LOAN OR SECURITY OR TO UNDERTAKE ANY INVESTMENT STRATEGY WITH RESPECT TO ANY INVESTMENT, LOAN OR SECURITY OR ANY ISSUER. RATINGS DO NOT COMMENT ON THE ADEQUACY OF MARKET PRICE, THE SUITABILITY OF ANY INVESTMENT, LOAN OR SECURITY FOR A PARTICULAR INVESTOR (INCLUDING WITHOUT LIMITATION, ANY ACCOUNTING AND/OR REGULATORY TREATMENT), OR THE TAX-EXEMPT NATURE OR TAXABILITY OF PAYMENTS MADE IN RESPECT OF ANY INVESTMENT, LOAN OR SECURITY. INDIA RATINGS IS NOT YOUR ADVISOR, NOR IS INDIA RATINGS PROVIDING TO YOU OR ANY OTHER PARTY ANY FINANCIAL ADVICE, OR ANY LEGAL, AUDITING, ACCOUNTING, APPRAISAL, VALUATION OR ACTUARIAL SERVICES. A RATING SHOULD NOT BE VIEWED AS A REPLACEMENT FOR SUCH ADVICE OR SERVICES. INVESTORS MAY FIND INDIA RATINGS' RATINGS TO BE IMPORTANT INFORMATION, AND INDIA RATINGS NOTES THAT YOU ARE RESPONSIBLE FOR COMMUNICATING THE CONTENTS OF THIS LETTER, AND ANY CHANGES WITH RESPECT TO THE RATING, TO INVESTORS.

IT WILL BE IMPORTANT THAT YOU PROMPTLY PROVIDE US WITH ALL INFORMATION THAT MAY BE MATERIAL TO THE RATINGS SO THAT OUR RATINGS CONTINUE TO BE APPROPRIATE. RATINGS MAY BE RAISED, LOWERED, WITHDRAWN, OR PLACED ON RATING WATCH DUE TO CHANGES IN, ADDITIONS TO, ACCURACY OF OR THE INADEQUACY OF INFORMATION OR FOR ANY OTHER REASON INDIA RATINGS DEEMS SUFFICIENT.

NOTHING IN THIS LETTER IS INTENDED TO OR SHOULD BE CONSTRUED AS CREATING A FIDUCIARY RELATIONSHIP BETWEEN INDIA RATINGS AND YOU OR BETWEEN INDIA RATINGS AND ANY USER OF THE RATINGS.

<u>DISCLAIMER STATEMENT OF ICRA</u>

WE REPRESENT THAT OUR EXECUTION, DELIVERY AND PERFORMANCE OF THIS CONSENT HAVE BEEN DULY AUTHORIZED BY ALL NECESSARY ACTIONS (CORPORATE OR OTHERWISE). ALL INFORMATION CONTAINED IN THE REPORT HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY ICRA TO BE ACCURATE AND RELIABLE. ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION THEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS OF ANY SUCH INFORMATION NOR DOES GIVE ANY GUARANTEE AND/ OR ASSURANCE OF ITS CREDIBILITY OF BEING FIT FOR A PARTICULAR PURPOSE AND OBJECT. ALL INFORMATION CONTAINED THEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION AND NOT ANY RECOMMENDATION FOR INVESTMENT. ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THE PRESS RELEASE OR ITS CONTENTS. ALSO, ICRA MAY PROVIDE OTHER PERMISSIBLE SERVICES TO THE COMPANY AT ARMS-LENGTH BASIS.

WE REPRESENT THAT OUR EXECUTION, DELIVERY AND PERFORMANCE OF THIS CONSENT HAVE BEEN DULY AUTHORIZED BY ALL NECESSARY ACTIONS (CORPORATE OR OTHERWISE).

WE WILL IMMEDIATELY INTIMATE YOU OF ANY CHANGES, ADDITIONS OR DELETIONS IN RESPECT OF THE ABOVE DETAILS TILL THE DATE WHEN THE NCDS COMMENCE TRADING ON THE STOCK EXCHANGES. IN ABSENCE OF ANY SUCH COMMUNICATION FROM US, THE ABOVE

INFORMATION SHOULD BE TAKEN AS UPDATED INFORMATION UNTIL THE LISTING AND COMMENCEMENT OF TRADING OF THE NCDS ON THE STOCK EXCHANGES.

ALL INFORMATION CONTAINED IN THE REPORT HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY ICRA TO BE ACCURATE AND RELIABLE. ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION THEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF ANY SUCH INFORMATION. ALL INFORMATION CONTAINED THEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION AND NOT ANY RECOMMENDATION FOR INVESTMENT. ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THE REPORT OR ITS CONTENTS. ALSO, ICRA MAY PROVIDE CREDIT RATING AND OTHER PERMISSIBLE SERVICES TO THE COMPANY AT ARMS-LENGTH BASIS. WE REPRESENT THAT OUR EXECUTION, DELIVERY AND PERFORMANCE OF THIS CONSENT HAVE BEEN DULY AUTHORIZED BY ALL NECESSARY ACTIONS (CORPORATE OR OTHERWISE).

WE WILL IMMEDIATELY INTIMATE YOU OF ANY CHANGES, ADDITIONS OR DELETIONS IN RESPECT OF THE ABOVE DETAILS TILL THE DATE WHEN THE NCDS COMMENCE TRADING ON THE STOCK EXCHANGES. IN ABSENCE OF ANY SUCH COMMUNICATION FROM US, THE ABOVE INFORMATION SHOULD BE TAKEN AS UPDATED INFORMATION UNTIL THE LISTING AND COMMENCEMENT OF TRADING OF THE NCDS ON THE STOCK EXCHANGES.

ALL INFORMATION CONTAINED IN THE REPORT HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY ICRA TO BE ACCURATE AND RELIABLE. ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION THEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF ANY SUCH INFORMATION. ALL INFORMATION CONTAINED THEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION AND NOT ANY RECOMMENDATION FOR INVESTMENT. ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THE REPORT OR ITS CONTENTS. ALSO, ICRA MAY PROVIDE CREDIT RATING AND OTHER PERMISSIBLE SERVICES TO THE COMPANY AT ARMS-LENGTH BASIS.

THIS LETTER DOES NOT IMPOSE ANY OBLIGATION ON THE COMPANY TO INCLUDE IN ANY OFFER DOCUMENT ALL OR ANY PART OF THE INFORMATION WITH RESPECT TO WHICH CONSENT FOR DISCLOSURE IS BEING GRANTED PURSUANT TO THIS LETTER.

WE ALSO AGREE TO KEEP STRICTLY CONFIDENTIAL, UNTIL SUCH TIME AS THE PROPOSED TRANSACTION IS PUBLICLY ANNOUNCED BY YOU IN THE FORM OF A PRESS RELEASE (I) THE NATURE AND SCOPE OF THE ISSUE AND (II) OUR KNOWLEDGE OF THE PROPOSED ISSUE.

THIS CERTIFICATE MAY BE RELIED UPON BY THE LEAD MANAGER AND THE LEGAL ADVISORS IN RELATION TO THE ISSUE.

DISCLAIMER STATEMENT OF MFIN

WE REPRESENT THAT OUR EXECUTION, DELIVERY AND PERFORMANCE OF THIS CONSENT HAVE BEEN DULY AUTHORIZED BY ALL NECESSARY ACTIONS (CORPORATE OR OTHERWISE). ALL INFORMATION CONTAINED IN THE REPORT HAS BEEN OBTAINED BY MICROFINANCE INSTITUTIONS NETWORK FROM SOURCES BELIEVED BY MICROFINANCE INSTITUTIONS NETWORK TO BE ACCURATE AND RELIABLE.ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION THEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS OF ANY SUCH INFORMATION NOR DOES GIVE ANY GUARANTEE AND/OR ASSURANCE OF ITS CREDIBILITY OF BEING FIT FOR A PARTICULAR PURPOSE AND OBJECT. ALL INFORMATION CONTAINED THEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION AND NOT ANY RECOMMENDATION FOR INVESTMENT. MICROFINANCE INSTITUTIONS NETWORK SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THE PRESS RELEASE OR

ITS CONTENTS. ALSO, MICROFINANCE INSTITUTIONS NETWORK MAY PROVIDE OTHER PERMISSIBLE SERVICES TO THE COMPANY AT ARMS-LENGTH BASIS.

WE REPRESENT THAT OUR EXECUTION, DELIVERY AND PERFORMANCE OF THIS CONSENT HAVE BEEN DULY AUTHORIZED BY ALL NECESSARY ACTIONS (CORPORATE OR OTHERWISE).

WE WILL IMMEDIATELY INTIMATE YOU OF ANY CHANGES, ADDITIONS OR DELETIONS IN RESPECT OF THE ABOVE DETAILS TILL THE DATE WHEN THE NCDS COMMENCE TRADING ON THE STOCK EXCHANGES. IN ABSENCE OF ANY SUCH COMMUNICATION FROM US, THE ABOVE• INFORMATION SHOULD BE TAKEN AS UPDATED INFORMATION UNTIL THE LISTING AND COMMENCEMENT OF TRADING OF THE NCDS ON THE STOCK EXCHANGES.

THIS LETTER DOES NOT IMPOSE ANY OBLIGATION ON THE COMPANY TO INCLUDE IN THE PROSPECTUS OR ANY OFFER DOCUMENT ALL OR ANY PART OF THE INFORMATION WITH RESPECT TO WHICH CONSENT FOR DISCLOSURE IS BEING GRANTED PURSUANT TO THIS LETTER.

WE ALSO AGREE TO KEEP STRICTLY CONFIDENTIAL, UNTIL SUCH TIME AS THE PROPOSED TRANSACTION IS PUBLICLY ANNOUNCED BY YOU IN THE FORM OF A PRESS RELEASE (I) THE NATURE AND SCOPE OF THE ISSUE AND (II) OUR KNOWLEDGE OF THE PROPOSED ISSUE.

THIS CERTIFICATE MAY BE RELIED UPON BY THE LEAD MANAGER AND THE LEGAL ADVISORS IN RELATION TO THE ISSUE.

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WE ALSO AGREE TO KEEP STRICTLY CONFIDENTIAL, UNTIL SUCH TIME AS THE PROPOSED TRANSACTION IS PUBLICLY ANNOUNCED BY YOU IN THE FORM OF A PRESS RELEASE (I) THE NATURE AND SCOPE OF THE ISSUE AND (II) OUR KNOWLEDGE OF THE PROPOSED ISSUE.

THIS CERTIFICATE MAY BE RELIED UPON BY THE LEAD MANAGER AND THE LEGAL ADVISORS IN RELATION TO THE ISSUE.

<u>DISCLAIMER STATEMENT FROM THE LEAD MANAGER</u>

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS TRANCHE II PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS TRANCHE II ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 20.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS TRANCHE II PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS TRANCHE II PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS TRANCHE II PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS TRANCHE II PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE'S WEBSITES.

THE COMPANY UNDERTAKES THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

OUR COMPANY DECLARES THAT NOTHING IN THIS TRANCHE II PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
A.K. Capital Services Limited	www.akgroup.co.in

The NCDs proposed to be offered through this Tranche II Issue are proposed to be listed on BSE and NSE. An application will be made to the Stock Exchanges for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchanges.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 6 Working Days from the date of closure of this Tranche II Issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within five Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) Our Directors, (b) Company Secretary and Chief Compliance Officer, (c) Chief Financial Officer, (d) Lead Manager, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue; (g) Bankers to Company; (h) India Ratings & Research Private Limited; (i) the Debenture Trustee for the Issue; (j) Consortium Member; (k) Public Issue Account Bank, Refund Bank and Sponsor Bank; (l) ICRA Limited in relation to the Research Report on Indian Microfinance Sector, (m) Lenders, to act in their respective capacities, have been obtained from them and the same will be filed along with a copy of the Shelf Prospectus with the ROC as required under Section 26 and Section 31 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Tranche II Prospectus with the Stock Exchanges.

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Tranche II Prospectus:

Our Company has received the written consent dated August 18, 2023 from Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP (collectively to be referred as Joint Statutory Auditors / Statutory Auditors), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Tranche II Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors. However, the term "expert" and "consent" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Tranche II Prospectus with the Stock Exchanges and SEBI.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Tranche II Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size i.e. ₹ 300 Crore. If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 300 Crore, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Filing of the Draft Shelf Prospectus

The Draft Shelf Prospectus was filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on their website(s) and SEBI. The Draft Shelf Prospectus has also been displayed on the websites of the Company and the Lead Manager.

Filing of the Shelf Prospectus and this Tranche II Prospectus with the RoC

A copy of the Shelf Prospectus and this Tranche II Prospectus have been filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Debenture Redemption Reserve ("DRR")

In accordance with amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, a NBFC that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche II Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and has informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued.

Reservation

No portion of the Issue has been reserved.

Underwriting

This Tranche II Issue will not be underwritten.

Disclosures in accordance with the DT Circular

Appointment of Debenture Trustee

The Company has appointed Catalyst Trusteeship Limited, as the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fee of ₹ 15,00,000 plus applicable taxes and a service charge of ₹ 22,50,000 on an annual basis, plus applicable taxes in terms of the letter dated May 30, 2022.

Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:

1. The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents and the applicable laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the applicable laws, the Debenture Trustee, either through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee.

2. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/ or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

3. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any, if Company is required to do so under the respective financing documents executed with the said existing charge holders.

4. The Debenture Trustee shall have the power to either independently appoint, or direct our Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports / certificates / documentation, including all out-of-pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by our Company.

Terms of carrying out due diligence

As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document and other applicable laws has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider are registered / disclosed.

(c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any, if Company is required to do so under the respective financing documents executed with the said existing charge holders.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

(e) The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:

(a) The Company undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the Companies Act and the Debenture Trust Deed on a regular basis, including without limitation the following documents, as may be applicable

(b) The Debenture Trustee does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.

- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchange.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission/ commission on the part of the Issuer.

While the NCDs are secured as per terms of the Offer Document and charge is held in favor of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

CATALYST TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED AUGUST 18, 2023, AS PER THE FORMAT SPECIFIED IN THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.

(2) ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS:

WE CONFIRM THAT:

a) THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.

b) THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).

c) THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.

d) ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.

e) ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

f) ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED WOULD BE EXECUTED BEFORE FILING OF LISTING APPLICATION.

g) ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO THE DEBT SECURITIES

ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchanges as per format specified in Annexure A of the DT Circular.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Issue Related Expenses

The expenses of the Tranche II Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Member, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to the sponsor bank, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Issue shall be as specified in this Tranche II Prospectus. For details of Issue related expenses, see "*Objects of the Issue*" on page 76.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

(i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act;

(ii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iii) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form of financial assets in which such unutilised monies have been invested;

(iv) we shall utilize the Issue proceeds only upon creation of security as stated in this Tranche II Prospectus in the section titled *"Terms of the Issue"* on page 332 and after (a) permissions or consents for creation of charge over the assets of the Company and for further raising of funds have been obtained from the creditors; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from Stock Exchanges;

(v) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;

(vi) the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

(vii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 8 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Previous Issues

Public / Rights Issues of Equity Shares in the last three years from this Tranche II Prospectus

A. CreditAccess Grameen Limited ('the Company')

i. Public issue of equity shares by the Company

The Company has not undertaken any public issue of equity shares in the last three years prior to June 2023.

ii. Previous public issues of non-convertible debentures by the Company

Particulars	ISIN – INE741K07462
Date of opening	14-Nov-2022
Date of closing	17-Nov-2022
Total issue size	₹ 185.31 Crores
Date of allotment	23-Nov-2022
Date of refunds/ unblocking of funds	N.A
Date of listing	25-Nov-2022
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07454
Date of opening	14-Nov-2022
Date of closing	17-Nov-2022
Total issue size	₹ 25.06 Crores
Date of allotment	23-Nov-2022
Date of refunds/ unblocking of funds	N.A
Date of listing	25-Nov-2022
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07470
Date of opening	14-Nov-2022
Date of closing	17-Nov-2022
Total issue size	₹ 212.49 Crores
Date of allotment	23-Nov-2022
Date of refunds/ unblocking of funds	N.A
Date of listing	25-Nov-2022
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07488
Date of opening	14-Nov-2022
Date of closing	17-Nov-2022
Total issue size	₹ 13.39 Crores
Date of allotment	23-Nov-2022
Date of refunds/ unblocking of funds	N.A
Date of listing	25-Nov-2022
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07496
Date of opening	14-Nov-2022
Date of closing	17-Nov-2022
Total issue size	₹ 55.50 Crores
Date of allotment	23-Nov-2022
Date of refunds/ unblocking of funds	N.A
Date of listing	25-Nov-2022
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07504
Date of opening	14-Nov-2022
Date of closing	17-Nov-2022
Total issue size	₹ 8.24 Crores
Date of allotment	23-Nov-2022

Date of refunds/ unblocking of funds	N.A
Date of listing	25-Nov-2022
Utilisation of proceeds	Yes

iii. Previous private placement of non-convertible debentures by the Company

The Company has made private placement of non-convertible debentures in the financial years 2020-21, 2021-22 and 2022-23 and the funds have been utilized towards the object of the issue as stated in relevant information memoranda. Details are listed below:

For FY 2020-21:

Particulars	ISIN – INE741K07280
Date of opening	26-Jun-20
Date of closing	26-Jun-20
Total issue size	₹ 50 crore
Date of allotment	26-Feb-20
Date of refunds/ unblocking of funds	N.A
Date of listing	09-July-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07298
Date of opening	29-Jun-20
Date of closing	29-Jun-20
Total issue size	₹ 145 crore
Date of allotment	29-Jun-20
Date of refunds/ unblocking of funds	N.A
Date of listing	11-July-2020
Utilisation of proceeds	Nil

Particulars	ISIN – INE741K07306
Date of opening	03-July-2020
Date of closing	03-July-2020
Total issue size	₹ 30 crore
Date of allotment	03-July-2020
Date of refunds/ unblocking of funds	N.A
Date of listing	12-July-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07314
Date of opening	27-July-2020
Date of closing	27-July-2020
Total issue size	₹ 100 crore
Date of allotment	28-July-2020
Date of refunds/ unblocking of funds	N.A
Date of listing	05-Aug-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07322
Date of opening	31-July-2020
Date of closing	31-July-2020
Total issue size	₹ 25 crore
Date of allotment	01-Aug-2020
Date of refunds/ unblocking of funds	N.A.
Date of listing	16-Aug-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07330
Date of opening	06-Aug-2020

Date of closing	06-Aug-2020
Total issue size	₹ 100 crore
Date of allotment	06-Aug-2020
Date of refunds/ unblocking of funds	N.A.
Date of listing	03-Sept-2020
Utilisation of proceeds	Yes

Particulars	ISIN –INE741K07348
Date of opening	14-Aug-2020
Date of closing	14-Aug-2020
Total issue size	₹ 86 crore
Date of allotment	15-Aug-2020
Date of refunds/ unblocking of funds	N.A
Date of listing	25-Aug-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07355
Date of opening	23-Sept-2020
Date of closing	23-Sept-2020
Total issue size	₹ 100 crore
Date of allotment	23-Sept-2020
Date of refunds/ unblocking of funds	N.A
Date of listing	05-Oct-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07363
Date of opening	20-Oct-2020
Date of closing	20-Oct-2020
Total issue size	₹ 100 crore
Date of allotment	21-Oct-2020
Date of refunds/ unblocking of funds	N.A
Date of listing	29-Oct-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07371
Date of opening	11-Nov-2020
Date of closing	11-Nov-2020
Total issue size	₹ 25 crore
Date of allotment	12-Nov-2020
Date of refunds/ unblocking of funds	N.A
Date of listing	19-Nov-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07389
Date of opening	10-Dec-2020
Date of closing	10-Dec-2020
Total issue size	₹ 100 crore
Date of allotment	11-Dec-2020
Date of refunds/ unblocking of funds	N.A
Date of listing	11-Dec-2020
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07397
Date of opening	25-Mar-2021
Date of closing	25-Mar-2021
Total issue size	₹ 50 crore
Date of allotment	25-Mar-2021

Date of refunds/ unblocking of funds	N.A
Date of listing	29-Mar-2021
Utilisation of proceeds	Yes

Particulars	**ISIN – INE741K07405**
Date of opening	31-Mar-2021
Date of closing	31-Mar-2021
Total issue size	₹ 145 crore
Date of allotment	31-Mar-2021
Date of refunds/ unblocking of funds	NA
Date of listing	01-April-2021
Utilisation of proceeds	Yes

Particulars	**ISIN - INE500S07127**
Date of opening	31-Dec-20
Date of closing	31-Dec-20
Total issue size	25 crores
Date of allotment	31-Dec-20
Date of refunds/ unblocking of funds	NA
Date of listing	07-Jan-21
Utilisation of proceeds	i. For liquidity mismatch arising due to moratorium extended by the company ii. General Corporate Purposes iii. For the ordinary course of business of the issuer

Particulars	**ISIN - INE500S07101**
Date of opening	17-Aug-20
Date of closing	17-Aug-20
Total issue size	50 crores
Date of allotment	17-Aug-20
Date of refunds/ unblocking of funds	NA
Date of listing	28-Aug-20
Utilisation of proceeds	i. For liquidity mismatch arising due to moratorium extended by the company ii. General Corporate Purposes iii. For the ordinary course of business of the issuer

Particulars	**ISIN -INE500S08034**
Date of opening	13-Aug-20
Date of closing	13-Aug-20
Total issue size	15 crores
Date of allotment	13-Aug-20
Date of refunds/ unblocking of funds	NA
Date of listing	27-Aug-20
Utilisation of proceeds	Shall be used to augment the long-term resources of the company & meet working capital requirements and shall not be utilised for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates. The issue shall not be utilised towards acquisition financing: buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of the company or as bridge loan

Particulars	**ISIN – INE500S07119**
Date of opening	21-Dec-2020
Date of closing	23-Dec-2020

Total issue size	₹ 37.50 Crores
Date of allotment	23-Dec-2020
Date of refunds/ unblocking of funds	NA
Date of listing	Unlisted
Utilisation of proceeds	General Corporate Purpose of the issuer

For FY 2021-22:

Particulars	ISIN – INE741K07413
Date of opening	30-Apr-21
Date of closing	30-Apr-21
Total issue size	₹ 71 crore
Date of allotment	30-Apr-21
Date of refunds/ unblocking of funds	N.A
Date of listing	N.A
Utilisation of proceeds	Yes

Particulars	ISIN – INE741K07421
Date of opening	31-Aug-2021
Date of closing	31-Aug-2021
Total issue size	₹ 100 crore
Date of allotment	31-Aug-2021
Date of refunds/ unblocking of funds	NA
Date of listing	02-Sept-2022
Utilisation of proceeds	Yes

For FY 2022-23:

Particulars	ISIN – INE741K07447
Date of opening	27-Sep-2022
Date of closing	27-Sep-2022
Total issue size	₹ 60 crore
Date of allotment	27-Sep-2022
Date of refunds/ unblocking of funds	NA
Date of listing	30-Sept-2022
Utilisation of proceeds	Yes

iv. Rights issue by the Company

The Company has not undertaken any rights issue of equity shares in the last three years prior to August 11, 2023.

B. Subsidiary company- CreditAccess India Foundation

i. Public issue of equity shares by the subsidiary company of the Company

Subsidiary company of the company has not undertaken any equity public issue in the last three years prior to August 11, 2023.

ii. Previous public issues of non-convertible debentures by the subsidiary company of the Company

Subsidiary of the Company has not undertaken the public issue of non-convertible debentures in the last three years prior to August 11, 2023.

iii. Previous private placement of non-convertible debentures by subsidiary of the Company in the last three years

a. CreditAccess India Foundation

CreditAccess India Foundation have not undertaken any private placement of non-convertible debentures in the last three years prior to August 11, 2023.

b. Rights issue by the Subsidiaries

Subsidiary company of the Company have not undertaken any rights issue of equity shares in the last three years prior to August 11, 2023.

C. Group Companies- NIL

Benefit/ interest accruing to Promoter/ Directors out of the Object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Tranche II Issue.

Details regarding the Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, which made any capital issue during the last three years

There are no public or rights or composite issue of capital by listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956 during the last three years.

Utilisation of proceeds of the Issue by our Group Companies

No proceeds of the Issue will be paid to our Group Companies.

Delay in listing

There has been no delay in the listing of any non-convertible securities issued by our Company.

Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.

There has been no refusal of listing of any security of our Company during the last three years prior to the date of this Tranche II Prospectus by any Stock Exchange.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on June 30, 2023, our Company has outstanding non-convertible debentures. For further details see "*Financial Indebtedness*" on page 188.

Our Company does not have any outstanding preference shares as of June 30, 2023.

Further, save and except as mentioned in this Tranche II Prospectus, our Company has not issued any other outstanding debentures or bonds.

Dividend

Our Company has not declared any dividend over the last three years.

Revaluation of assets

Our Company has not revalued its assets in the last three years.

Mechanism for redressal of investor grievances

KFIN Technologies Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated September 13, 2022 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Chief Compliance Officer, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or details of Member of Syndicate or Trading Member of the Stock Exchanges where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centers, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

KFIN Technologies Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
Tel No.: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: cagl.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
Compliance Officer: Anshul Jain
SEBI Registration Number: ₹000000221
CIN: U72400TG2017PLC117649

The Registrar shall endeavour to redress complaints of the investors within seven (7) days of receipt of the complaint and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Company Secretary and Chief Compliance Officer for the purposes of the Issue are set out below:

Mahadev Prakash Jayakumar Matada
New No. 49 (Old No. 725),
46th Cross, 8th Block, Jayanagar,
Next to Rajalakshmi Kalyana Mantap,
Bengaluru – 560 070, Karnataka, India
Tel: +91 80 2263 7300
Fax: +91 80 2664 3433
E-mail: cs@cagrameen.in

Investors may contact the Registrar to the Issue or the Chief Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit or unblocking etc.

Details of Auditors to the Issuer

Names of the Joint Statutory Auditors	Address	Auditor since
Deloitte Haskins & Sells*	ASV N Ramana Tower, 52, Venkatnarayana Road, T. Nagar, Chennai – 600 017	August 11, 2020
PKF Sridhar & Santhanam LLP	T8 & T9, Third Floor Gem Plaza, 66, Infantry Road Bangalore – 560 001, India	March 18, 2022

For Fiscal 2021, Deloitte Haskins & Sells, were the statutory auditors, however from Fiscal 2022 Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP are the joint statutory auditors of our Company

Change in auditors of our Company during the preceding three Financial Years and current Financial Year

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
S.R. Batliboi & Co. LLP	14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (west), Mumbai - 400028	June 29, 2016	August 11, 2020	NA
Deloitte Haskins & Sells	ASV N Ramana Tower, 52, Venkatnarayana Road, T. Nagar, Chennai – 600 017	August 11, 2020	-	-
PKF Sridhar & Santhanam LLP	T8 & T9, Third Floor Gem Plaza, 66, Infantry Road Bangalore – 560 001, India	March 18, 2022	-	-

Details of overall lending by our Company

Lending Policy

For lending policy in relation to each of the products of our Company, please see "*Our Business*" at page 117.

A. Loans given by the Company

The Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of private placements or public issues of debentures.

B. Type of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on March 31, 2023 is as follows:

(₹ in crore)

No.	Type of Loans *	Amount @
1.	Secured	60.64
2.	Unsecured	
(a)	On-Balance sheet	19,437.06
(b)	Off-Balance sheet	1,534.05
Total assets under management (Gross book)		**21,031.74**

@ Principal Outstanding.
** Above number are on standalone basis.*

C. *Denomination of loans outstanding by LTV as on March 31, 2023**

The company has negligible portfolio size of secured book i.e., 0.3%.

D. *Sectoral Exposure as on March 31, 2023*

Sr. No	Segment wise break up of AUM@ (Gross book)	Percentage of AUM (Gross book)*
1.	**Retail**	
A	Mortgages (home loans and loans against property)	0.25%

Sr. No	Segment wise break up of AUM@ (Gross book)	Percentage of AUM (Gross book)*
B	Gold loans	0.01%
C	Vehicle Finance	0.02%
D	MFI	99.20%
E	MSME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	0.52%
2.	**Wholesale**	
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	**100%**

@ Principal Outstanding.
** Above number are on standalone basis.*

E. ***Denomination of the loans outstanding by ticket size as on March 31, 2023****

Sr. No.	Ticket size**	Percentage of AUM (Gross book) @^
1.	upto 2 lakh	99.66%
2.	₹ 2-5 lakh	0.16%
3.	₹ 5-10 lakh	0.13%
4.	₹ 10-25 lakh	0.05%
5.	₹ 25-50 lakh	-
6.	₹ 50 lakh- 1 crore	-
7.	₹ 1 crore - 5 crore	-
8.	₹ 5 crore - 25 crore	-
9.	₹ 25 crore - 100 crore	-
	Total	100%

** Ticket size at the time of origination*
***The details provided are as per borrower and not as per loan account.*
@ Principal Outstanding.
^ Above number are on standalone basis.

F. ***Geographical classification of the borrowers as on March 31, 2023***

Top 5 state wise borrowers

Sr. No.	Top 5 states	Percentage of AUM (Gross book) @^
1.	Karnataka	33.17%
2.	Maharashtra	20.87%
3.	Tamil Nadu	20.23%
4.	Madhya Pradesh	6.71%
5.	Bihar	4.44%
	Total	85.43%

@ Principal Outstanding.
^ Above number are on standalone basis.

G. ***Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on March 31, 2023***

(₹ in crore)

Movement of gross NPA#	Amount
Opening gross NPA	558.65
- Additions during the year	396.29
- Reductions during the year	718.55
Closing balance of gross NPA	236.39
Movement of net NPA	
Opening net NPA	197.36
- Additions during the year	(90.73)
- Reductions during the year	39.77

Movement of gross NPA#	Amount
Closing balance of net NPA	66.86
Movement of provisions for NPA	
Opening balance	361.30
- Provisions made during the year	487.02
- Write-off / write-back of excess provisions	678.78
Closing balance	169.54

#represent Stage III loans
^ Above number are on standalone basis.

H. *Segment-wise gross NPA as on March 31, 2023*

Sr. No.	Segment wise break up of gross NPA^	Gross NPA (%)*$
1.	**Retail**	
a.	Mortgages (home loans and loans against property)	-
b.	Gold Loans	0.36%
c.	Vehicle Finance	0.30%
d.	MFI	0.18%
e.	MSME	1.12%
f.	Capital market funding (loans against shares, margin funding)	-
g.	Others	5.55%
2.	**Wholesale**	
a.	Infrastructure	-
b.	Real Estate (including builder loans)	-
c.	Promoter funding	-
d.	Any other sector (as applicable)	-
e.	Others	-
Gross NPA		**1.14%**

** Gross NPA means percentage of NPAs to total advances in that sector and represent Stage III Loans*
$ This ratio is arrived at based on Assets under management i.e. On balance sheet as well as off Balance sheet principal outstanding.
^ Above number/ratio are on standalone basis.

I. *Residual Maturity Profile of Assets and Liabilities as on March 31, 2023 ^*

(₹ in crore)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances	8,92.38	1,025.69	1,051.20	2,858.26	5,194.40	7,932.29	73.49	15.63	19,043.34
Investments	-	-	-	98.27	355.71	-	-	0.55	454.53
Borrowings*	687.26	612.21	670.39	2236.35	3753.40	7447.28	905.37	-	16312.26
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities**	-	-	2.86	-	-	89.22	33.80	-	125.88

**Total borrowings*
***includes foreign currency denominated external commercial borrowing*
^ Above number/ratio are on standalone basis.

J. *(a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2023*

Particulars^	Amount
Total advances to twenty largest borrowers*$ *(₹ in crore)*	3.16
Percentage of Advances to twenty largest borrowers to Total Advances to the Company (in %)	0.02%

******* *Includes loans and advances, interest accrued and other adjustments as required by applicable accounting standard.*
^ Above number/ratio are on standalone basis.

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2023

Particulars ^	**Amount**
Total exposure to twenty largest borrowers* *(₹ in crore)*	3.16
Percentage of exposure to twenty largest borrowers to Total exposure to the Company (in %)	0.02%

***** *Includes loans and advances, interest accrued and other adjustments as required by applicable accounting standard.*

^ Above number/ratio are on standalone basis.

K. ***Classification of loans/advances given to associates, entities/ person relating to board, senior management, promoters, others, etc., as on March 31, 2023***

Sr. No.	**Name of Borrower ^**	**Amount of loans to such borrower (₹ in crore) (A)***	**Percentage of A (A/ exposure)**	**Percentage of A (A/Loan Book$)**
1.	NIL			

Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability

Sr. No.	**Particulars**	**Nature of Liability**	**Amount as on March 31, 2022**
1	The Assessing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.2.62 crores (net demand after adjusting of payment made is ₹ 1.16 crore) from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assessment order. The Company is of view that the said demand is not tenable and expects to succeed in its appeal.	Income Tax	₹ 2.62 crore
2	Demand under Employee Provident Fund Act, 1952	Provident Fund	₹ 0.25 crore

In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

Promoter Shareholding

Please see "*Capital Structure*" beginning on page 62 for details with respect to Promoter shareholding in our Company as on the date of this Tranche II Prospectus.

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than in the Shelf Prospectus and this Tranche II Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

ALM Statement ^

(*in ₹ crores*)

	Up to 30/ 31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Advances	892.38	1,025.69	1,051.20	2,858.26	5,194.40	7,932.29	73.49	15.63	19,043.34
Investments	-	-	-	98.27	355.71	-	-	0.55	454.53
Borrowings*	687.26	612.21	670.39	2,236.35	3,753.40	7447.28	905.37	-	16,312.26
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities**	-	-	2.86	-	-	89.22	33.80	-	125.88

**Total borrowings*
***includes foreign currency denominated external commercial borrowing*
^ Above number/ratio are on standalone basis.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Issue Opening Date of this Tranche II Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of this Tranche II Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*", on page 20 and in the chapter titled "*Outstanding Litigations*", on page 290, there are no reservations or qualifications or adverse remarks in the financial statements of our Company in the last three Fiscals and the quarter ended June 30, 2023, immediately preceding this Tranche II Prospectus.

Trading

The non-convertible debentures of our Company are currently listed on BSE's wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹0.50 crore or with both.

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in "*Terms of the Issue*" beginning on page 332.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

Issuer	CreditAccess Grameen Limited
Type of instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of the Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Mode of the Issue	Public Issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Lead Manager	A. K. Capital Services Limited.
Debenture Trustee	Catalyst Trusteeship Limited
Depositories	NSDL and CDSL
Registrar to the Issue	KFIN Technologies Limited
Issue	Public issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of our Company of Face Value of ₹1,000 each for an amount aggregating up to ₹1500 crores ("**Shelf Limit**") ("**Issue**"), on the terms and in the manner set forth herein.
Minimum Subscription	₹ 300 Crore
Seniority	Senior
Tranche II Issue Size	₹ 1,000 Crore
Base Issue Size	₹ 400 Crore
Option to Retain Oversubscription / Green shoe option (Amount)	₹ 600 Crore
Eligible Investors	Please see "*Issue Procedure –Who can apply?*" on page 353.
Objects of the Issue / Purpose for which there is requirement of funds	Please see "*Object of the Issue*" on page 76
Details of Utilization of the Proceeds	Please see "*Objects of the Issue*" on page 76.
Coupon rate	Please see *"Issue Structure"* on page 326
Coupon Payment Date	Please see *"Issue Structure"* on page 326
Coupon Type	Please see *"Issue Structure"* on page 326
Coupon reset process	Not Applicable
Interest Rate on each category of investor	Please see *"Issue Structure"* on page 326
Step up/ Step Down Coupon rates	Not Applicable
Coupon payment frequency	Please see *"Issue Structure"* on page 326
Day count basis	Actual / Actual
Interest on application money	NA
Default Coupon rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.

	Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
Tenor	Please see *"Issue Structure"* on page 326
Redemption Date	Please see *"Issue Structure"* on page 326
Redemption Amount	Please see *"Issue Structure"* on page 326
Redemption Premium/ Discount	Please see *"Issue Structure"* on page 326
Face Value	₹ 1,000 per NCD
Issue Price	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	Please see *"Issue Structure"* on page 326
Transaction Documents	Transaction Documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Manager and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, "*Material Contracts and Document for Inspection*" on page 432.
Put option date	Not Applicable
Put option price	Not Applicable
Call option date	Not Applicable
Call option price	Not Applicable
Put notification time	Not Applicable
Call notification time	Not Applicable
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter.
Market Lot / Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit Ratings / Rating of the instrument	The NCDs proposed to be issued under the Issue have been rated [IND AA-/Stable] for an amount of ₹ 1,500 crores by India Ratings *vide* their rating letter dated August 04, 2022 and further revalidated vide letter dated September 8, 2022 and further affirmed vide letter dated April 24, 2023.
Stock Exchange/s proposed for listing of the NCDs	BSE Limited and National Stock Exchange of India Limited
Listing and timeline for listing	The NCDs are proposed to be listed on BSE and NSE. The NCDs shall be listed within six Working Days from the date of Issue Closure for Tranche II Issue. NSE has been appointed as the Designated Stock Exchange. For more information see "*Other Regulatory and Statutory Disclosures*" on page 299
Modes of payment	Please see *"Issue Structure – Terms of Payment"* on page 330.
Tranche II Issue Opening Date	Thursday, August 24, 2023
Tranche II Issue Closing Date**	Wednesday, September 6, 2023
Date of earliest closing of the issue, if any	Not Applicable
Record date	The Record Date for payment of Interest in connection with the NCDs or repayment of Principal in connection therewith shall be 15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under this Tranche

	II Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on day when the stock exchanges are having a trading or holiday, the immediately succeeding trading day or a date notified by the Company to the stock exchange shall be considered as Record Date.
Settlement mode of instrument	Redemption
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	As agreed in the Debenture Trust Deed, to be executed in accordance with applicable law.
Tranche II Issue Schedule**	Thursday, August 24, 2023 to Wednesday, September 6, 2023.
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed this Tranche II Prospectus	The principal amount of the NCDs to be issued in terms of this Tranche II Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by an exclusive charge by way of hypothecation of identified book debts of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of 1.10 times of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Tranche II Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). For further details on date of creation of security/likely date of creation of security minimum security cover etc., please see "*Terms of the Issue – Security*" on page 332.
Security Cover	Our Company shall maintain a minimum 110% security cover on the outstanding balance of the NCDs plus accrued interest thereon
Condition precedent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions precedents to the Issue.
Condition subsequent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions subsequent to the Issue.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please see "*Terms of the Issue – Events of Default*" on page 333.
Creation of recovery expense fund	Our Company will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding transfer of amount toward such fund.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in this Tranche II Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default. The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof.

	Please see "*Terms of the Issue - Events of default*" on page 333.
Deemed date of Allotment	The date on which the Board of Directors/or the EBI Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the EBI Committee thereof and notified to the Designated Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, Companies Act, the Listing Agreement, and the Debenture Trust Deed, each as amended from time to time. Please see section titled "*Terms of the Issue- Trustees for the NCD Holders*" on page 333.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 20.
Provisions related to Cross Default Clause	As per the Debenture Trust Deed to be executed in accordance with applicable law.
Governing law and Jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
Working day convention / Day count convention / Effect of holidays on payment	Working Day means all days on which commercial banks in Mumbai and Bengaluru are open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "Effective Date"), however the dates of the future interest payments would continue to be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Notes:

**In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.*

*** The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Tranche II Prospectus, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the EBI Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations and subject to not exceeding thirty days from filing this Tranche II Prospectus with ROC. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche II Issue Period. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please see "General Information" on page 53.*

**For the list of documents executed/ to be executed, please see "Material Contracts and Documents for Inspection" on page 432.*

While the NCDs are secured to the tune of 110% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 110% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

Specific terms for NCDs

Series	**I**	**II**	**III**	**IV***	**V**	**VI**	**VII**	**VIII**
Frequency of Interest Payment	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
Minimum Application	₹ 10,000 (10 NCDs) across all series							

Series	I	II	III	IV*	V	VI	VII	VIII
In multiples of thereafter	₹ 1,000 (1 NCD)							
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000							
Tenor	24 months	24 months	33 months	33 months	50 months	50 months	60 months	60 months
Coupon (% per annum) for NCD Holders in all Categories	9.10%	NA	9.25%	NA	9.40%	NA	9.70%	NA
Effective Yield (% per annum) for NCD Holders in all Categories	9.48%	9.48%	9.64%	9.64%	9.81%	9.81%	10.13%	10.13%
Mode of Interest Payment	Through various modes available							
Amount (₹ / NCD) on Maturity for NCD Holders in all Categories	₹1,000	₹1,198.82	₹1,000	₹1,288.12	₹1,000	₹1,477.11	₹1,000	₹1,621.19
Maturity / Redemption Date (from the Deemed Date of Allotment)	24 months	24 months	33 months	33 months	50 months	50 months	60 months	60 months
Put and Call Option	Not Applicable							

**Our Company shall allocate and allot Series IV NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.*

With respect to Series where interest is to be paid on a monthly basis, relevant interest will be paid on the same date of each month from the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under monthly Series will be made at the time of redemption of the NCDs. Subject to applicable tax deducted at source, if any. For further details, please see the section entitled "*Statement of Possible Tax Benefits*" on page 80.

Please refer to "**Annexure C**" of this Tranche II Prospectus, for details pertaining to the cash flows of the Company in accordance with the SEBI Master Circular.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue. For further details, see "*Issue Procedure*" and "*Terms of Issue*" on page 352 and 332.

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors) , as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in "*Terms of the Issue – Manner of Payment of Interest/ Refund"* on page 344.

Participation by any of the Investor classes in the Tranche II Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Tranche II Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, see the section titled "*Issue Procedure*" on page 352.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on March 23, 2022, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 1,500 crores. Further, the present borrowing is within the borrowing limits of ₹ 20,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company vide their resolution passed at the Annual General Meeting held on July 30, 2021.

The NCDs pursuant to this Tranche II Issue will be issued on terms and conditions as set out in the Tranche II Prospectus.

Principal Terms & Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the relevant provisions of the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of exclusive charge by way of hypothecation of identified book debts of the Company, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of 1.10 times of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating an exclusive charge in favor of the Debenture Trustee in relation to the NCDs.

In terms of SEBI Debenture Trustee Master Circular, our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with the Issue. Our Company undertakes, inter alia, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the permissions or consent to create second or pari passu charge or exclusive charge on the assets of the Issuer have been obtained from the earlier creditors. Our Company has applied to the prior creditors for such permissions or consents and has received such permissions or consents from all prior creditors.

Security

The principal amount of the NCDs to be issued in terms of this Tranche II Prospectus together with all interest due and payable on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements thereof shall be secured by an exclusive charge by way of hypothecation of identified book debts of the Company, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of 1.10 times of the outstanding principal amounts and interest thereon is maintained at all times as security until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating an exclusive charge in favor of the Debenture Trustee in relation to the NCDs.

Further, NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or Central Registry of Securitisation Asset Reconstruction and Security Interest ("CERSAI") or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, (**"Debenture Trust Deed"**) terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Tranche II Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace it with another asset of the same or a higher value.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace it with another asset of the same or higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Tranche II Prospectus, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

In accordance with the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Tranche II Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

Our Company has appointed Catalyst Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders (except the point (i), (ii), (iii) and (iv) listed below), or as specifically stated in terms of the Debenture Trust Deed, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

i. default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
ii. default is committed in payment of the principal amount of the NCDs on the due date(s);
iii. default is committed in payment of any interest on the NCDs on the due date(s);
iv. default is committed in the performance of Rating Covenant;
v. Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee and such default shall have continued after cure period if any, as provided under the Debenture Trust Deed, after notice in writing thereof been given to the Company by the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee for remedying such default;
vi. Default is committed if any information given to the Company in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
vii. Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;
viii. The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;
ix. Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts
x. The Company ceases to carry on its business or gives notice of its intention to do so;
xi. If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
xii. Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;
xiii. Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;
xiv. If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
xv. If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
xvi. If it becomes unlawful for the company to perform any of its obligations under any transaction document;
xvii. Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;
xviii. Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;
xix. Any security created over any of the hypothecated properties at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties;
xx. Any expropriation, attachment, sequestration, distress, execution or any other creditors' process affects hypothecated properties of the Company;
xxi. Any misrepresentation in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, and the Transaction Documents;

xxii. Cross default where other lender(s) have declared the Company to be in default;
xxiii. Revocation of business, operating license and/or any other material contract of the Company; and
xxiv. Any other event described as an Event of Default in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, and the Transaction Documents.

Any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of NCDs at any point of time or as set out in the Debenture Trust Deed, except for any default relating to points i, ii, iii and iv under the "Indicative list of Events of Default" given above, where no such consent/ resolution of NCD holders will be required for calling of event of default.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt. It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned SEBI Debenture Trustee Master Circular.

In case of any other Event of Defaults (other than payment defaults stated above) the Debenture Trustee shall, on the instructions of the NCD Holders, by a notice in writing to the Company initiate further course of action in accordance with the Debenture Trust Deed.

In accordance with SEBI Debenture Trustee Master Circular, post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to receive notices, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.

2. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours on a specific request made to us.

3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD

Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

5. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

6. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.

7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Tranche II Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 72 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014), any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Secured NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, Maharashtra.

Application in the Issue

Applicants shall apply in the Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).
In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchanges shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled "*Issue Procedure*" beginning on page 352.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Terms of the Issue – Interest*" on page 339 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and

- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013, shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Procedure for rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to the Issue. NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

Period of subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	Thursday, August 24, 2023
ISSUE CLOSES ON	Wednesday, September 6, 2023
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors or EBI Committee approves the Allotment of the NCDs for the Tranche II Issue or such date as may be determined by the Board of Directors or EBI Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.

**The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Tranche II Prospectus, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the EBI Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations and subject to not exceeding thirty days from filing this Tranche II Prospectus with ROC. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche II Issue Period. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Tranche II Issue Closing Date.*

*Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(Indian Standard Time) (“**Bidding Period**”) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Tranche II Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Tranche II Issue Closing Date.*

Due to limitation of time available for uploading the Applications on the Tranche II Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche II Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche II Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the

RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Interest/Premium and Payment of Interest/ Premium

Interest/ Coupon on NCDs

1. Monthly interest payment options

Interest would be paid monthly under Series I, III, Vand VII at the following rates of interest in connection with the relevant categories of NCD Holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of NCD Holders	Coupon (per annum) for following Series			
	I	III	V	VII
All categories	9.10%	9.25%	9.40%	9.70%

Series I, III, V and VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months, 33 months, 50 months and 60 months respectively from the Deemed Date of Allotment

2. Cumulative interest payment options

In case of Series II, IV, VI and VIII, NCDs shall be redeemed at the end of 24 months, 33 months, 50 months and 60 months, respectively from the Deemed Date of Allotment as mentioned below

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Series II - All categories	1,000	1,198.82
Series IV - All categories	1,000	1,288.12
Series VI - All categories	1,000	1,477.11
Series VIII- All categories	1,000	1,621.19

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Payment of Interest

Amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest / payout of total coupon /redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Tranche II Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form, the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, see the "*Terms of the Issue - Manner of Payment of Interest / Refund / Redemption*" beginning on page 344.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque). For further details, please see Section titled *"Statement of Possible Tax Benefits"* on page 80.

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest;

b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.

Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document a may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted atleast 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at www.creditaccessgrameen.in or the Registrar at https://ris.kfintech.com/form15/forms.aspx?q=0, from time to time.

Registrar to the Issue

KFIN Technologies Limited
Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Rangareddi,
Hyderabad – 500 032, Telangana
Tel: +91 40 6716 2222
Fax: +91 40 6716 1563
Email: cagl.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Mr. M. Murali Krishna
Compliance Officer : Anshul Kumar Jain

Link for availability of formats of declaration/ certificates and online submission of tax exemption forms: https://ris.kfintech.com/form15/forms.aspx?q=0

The investors need to submit Form 15H/ 15G/certificate in original from the Assessing Officer for each Fiscal during the currency of the NCD to claim non-deduction or lower deduction of tax at source from interest on the NCD. Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Please also see, "*Statement of Possible Tax Benefits*" on page 80. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "*Issue Procedure*" on page 352, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche II Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche II Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the Interest Payment Date falls on a day other than a Working Day (Sundays or holidays of commercial banks in Mumbai and Bangalore), the interest payment as due and payable on such day shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact as per the originally stipulated schedule and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular is disclosed in Annexure C of this Tranche II Prospectus.

Maturity and Redemption

The relevant interest will be paid in the manner set out in *"Issue Structure"* on page 326. The last interest payment will be made at the time of redemption of the NCDs.

Series	Maturity Period/ Redemption (as applicable)
Series I	24 months
Series II	24 months
Series III	33 months
Series IV	33 months
Series V	50 months
Series VI	50 months
Series VII	60 months
Series VIII	60 months

Put / Call Option

Not Applicable

Deemed Date of Allotment

The date on which our Board of Directors or the committee thereof approves the Allotment of the NCDs for the Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (shall be available to the Debenture holders from the deemed date of allotment.

Application in the Issue

NCDs being issued through this Tranche II Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Tranche II Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Application Size

Each Application should be for a minimum of 10 NCDs across all series collectively and multiples of one NCD thereof (for all series of NCDs taken individually or collectively). The minimum application size for each application for NCDs would be ₹10,000 across all series collectively and in multiples of ₹1,000 thereafter. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.
Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Tranche II Prospectus(es).

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under this Tranche II Prospectus. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of the Issue - Procedure for rematerialisation of NCDs*" on page 338.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

   National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("MICR") code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

   Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

   For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

   Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

   Please note that our Company shall not be responsible to the holder of NCDs for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

   In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Tranche II Issue Closing Date.

Printing of Bank Particulars on Interest/redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of NCDs

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this Tranche II Issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Procedure for redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in electronic form

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/ Transmission of NCDs

For NCDs held in physical form on account of rematerialisation

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Tranche II Prospectus and all other applicable laws. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche II Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Tranche II Issue shall be compulsorily in dematerialised form only.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiary, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner by creating a charge on any assets, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction

Documents, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee and compliance with other terms of the Transaction Documents.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section(1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Tranche II Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Tranche II Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size i.e. ₹ 300 Crore. If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 300 Crore, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in the SEBI Master Circular.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Tranche II Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the "*Issue Procedure*" beginning on page 352.

Early Closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Closing Date of respective Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size i.e., ₹300 crore. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e., ₹ 300 crore within the timelines prescribed under applicable laws, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Tranche II Issue Closing Date as specified in this Tranche II Prospectus, or such time as may be specified by SEBI. In case of failure of the Issue due to reasons such as non-receipt of listing and trading approval from the Stock Exchanges wherein the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be unblocked in the Applicants ASBA Account within two Working Days from the scheduled listing date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum from the scheduled listing date till the date of actual payment.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchanges as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

(i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

(ii) the allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period

(iii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iv) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form of financial assets in which such unutilised monies have been invested;

(v) we shall utilize the Issue proceeds only upon creation of security as stated in this Tranche II Prospectus in the section titled *"Terms of the Issue"* on page 332 and after (a) permissions or consents for creation of charge over the assets of the Company and for further raising of funds have been obtained from the creditors; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from Stock Exchanges;

(vi) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;

(vii) the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

(viii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Tranche II Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Filing of this Tranche II Prospectus with the RoC

A copy of this Tranche II Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with of SEBI NCS Regulations on or before the Tranche II Issue Opening Date of this Tranche II Issue. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013Our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of this Tranche II Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure - Rejection of Applications*" beginning on page 378.

Listing

The NCDs offered through this Tranche II Prospectus are proposed to be listed on BSE and the NSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter bearing reference number DCS/BM/PI-BOND/013/22-23 dated October 3, 2022 and from NSE *vide* their letter bearing reference number NSE/LIST/D/2022/0142 dated October 03, 2022. For the purposes of the Issue, NSE shall be the Designated Stock Exchange. Final Application for listing of the NCDs will be made to the Stock Exchanges in terms of SEBI NCS Regulations and the SEBI Master Circular for the Tranche II Issue.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche II Prospectus.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 6 Working Days of the Tranche II Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to rematerialisation, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Recovery Expense Fund

Our Company shall create a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Master Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Master Circular retail individual investor may use the Unified Payment Interface ("**UPI**") to participate in the public issue for an amount up to ₹ 5,00,000 through the app/web interface of the Stock Exchanges or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche II Prospectus.

Please note that this section has been prepared based on the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism.

Specific attention is drawn to the SEBI Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Tranche II Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Manager are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE II PROSPECTUS, THE TRANCHE II ISSUE OPENING DATE AND THE TRANCHE II ISSUE CLOSING DATE.

THE LEAD MANAGER, THE CONSORTIUM MEMBER AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days on which the commercial banks in Mumbai and Bangalore are open for business, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in Mumbai and Bangalore are open for business. Furthermore, for the purpose the time period between the bid/ issue closing date and the listing of the NCDs, Working Days shall mean all trading days of the stock exchanges excluding Saturdays, Sundays and bank holidays as specified by SEBI.

The information below is given for the benefit of the investors. Our Company and the Members of Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche II Prospectus.

PROCEDURE FOR APPLICATION

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I (Institutional Investors)

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 25 crores , superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II (Non-Institutional Investors)

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III (High Net-worth Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.

Category IV (Retail Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all Options/ Series of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹5,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Please note that it is clarified that persons resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Members of Consortium and its respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

a. Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
b. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
c. Persons resident outside India and other foreign entities;
d. Foreign Institutional Investors;
e. Foreign Portfolio Investors;
f. Non Resident Indians;
g. Qualified Foreign Investors;
h. Overseas Corporate Bodies**;
i. Foreign Venture Capital Funds; and
j. Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*
The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

The information below is given for the benefit of Applicants. Our Company and the Lead Manager is not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche II Prospectus.

How to apply?

Availability of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, Abridged Prospectus and Application Forms.

Physical copies of the Abridged Prospectus containing the salient features of this Tranche II Prospectus together with Application Forms and copies of this Tranche II Prospectus may be obtained from:

1. Our Registered Office,
2. Office of the Lead Manager,
3. Office of the Consortium Member,

4. Registrar to the Issue,
5. Designated RTA Locations for RTAs,
6. Designated CDP Locations for CDPs and
7. Designated Branches of the SCSBs.

Additionally, Electronic copies of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, along with the downloadable version of the Application Forms will be available.

(i) for download on the website of BSE at www.bseindia.com, NSE at www.nseindia.com and the website of the Lead Manager at www.akgroup.co.in.
(ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic copies of this Tranche II Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchanges, SEBI and SCSBs

Electronic Application Forms will also be available on the website of the Stock Exchange Exchanges and on the websites of the SCSBs that permit the submission of Applications electronically. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Manager and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchanges. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Please note that there is a single Application Form for, persons resident in India.

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Method of Application

In terms of the SEBI Master Circular an eligible investor desirous of applying in this Tranche II Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchanges which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**").

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e., to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism)with whom the relevant ASBA Accounts are maintained.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a RIB who is not applying using the UPI Mechanism. For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchanges.

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Tranche II Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

   a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchanges bidding platform and blocking of funds in investors account by the SCSB would continue.

   b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

   c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 Lakh or less. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. *Through Stock Exchanges*

   a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.

   b. The Stock Exchanges have extended their web-based platforms i.e., 'BSE Direct' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5 Lakh. To place bid through 'BSEDirect' platform and NSE goBID platform / mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.

   c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: https://www.bsedirect.com; and NSE: https://www.nseindiaipo.com.

d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications

e. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61. Similar circulars by NSE can be found here: x https://www1.nseindia.com/content/circulars/IPO46907.zip x https://www1.nseindia.com/content/circulars/IPO46867.zipFurther, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for the financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) i) certificate registered with IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefore.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

<u>Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs</u>

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

<u>Applications made by companies, bodies corporate and societies registered under the applicable laws in India</u>

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

<u>Applications made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs</u>

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications made by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

<u>Applications under a power of attorney by limited companies, corporate bodies and registered societies</u>

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.
In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Systematically Important Non-banking financial companies

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association/charter of constitution; (ii) power of attorney;(iii) board Resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Syndicate Members and their respective associates and affiliates are permitted to subscribe in the Issue.

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant (belonging to Category IV) may also submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 5 (five) Working Days of the Tranche II Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Manager or Consortium Member or Trading Members of the Stock Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Manager or Trading Members of the Stock Exchanges, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Manager or Consortium Member or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Tranche II Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges. In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("**UAN**") and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the SEBI Master Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

The Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for the Issue**.**

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 before investing through the through the app/ web interface of Stock Exchange(s).

Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through their Trading Members.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of this Tranche II Prospectus with ROC

A copy of this Tranche II Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with of SEBI NCS Regulations on or before the Tranche II Issue Opening Date of this Tranche II Issue. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013Material updates, if any, between the date of filing of this Tranche II Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

1. Applications must be made in the prescribed Application Form.

2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Tranche II Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

3. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.

4. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

6. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

7. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

8. Applicants must ensure that their Application Forms are made in a single name.

9. The minimum number of Applications and minimum application size. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.

10. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

11. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

12. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

13. Applications for all the series of the NCDs may be made in a single Application Form only.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, the Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.
8. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the

details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Tranche II Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Tranche II Issue Closing Date) day till 1 pm
14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.
15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
18. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
19. The allotment of debt securities shall be done as per SEBI Master Circular.
20. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
21. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
22. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
23. Thereafter, Stock Exchange will issue the listing and trading approval.
24. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:

    i. Investor shall check the Issue details before placing desired bids;
    ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
    iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/integration of UPI on Debt Public Issue System;
    iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
    v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
    vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
    vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

25. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 5, 2021 the investor shall also be responsible for the following:

i. After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
ii. Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
iii. After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
iv. UPI mandate can be accepted latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
v. For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
vi. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Tranche II Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID,PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche II Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche II Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Tranche II Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID,PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Tranche II Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Master Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such

ASBA Application in the electronic system of the Stock Exchanges. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchanges. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.

(b) Physically through the Consortium Member, Lead Manager, or Trading Members of the Stock Exchanges only at the Specified Cities i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Member, Lead Manager or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Member, Lead Manager or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchanges' bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchanges' bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Manager and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Tranche II Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Tranche II Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Tranche II Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Manager or Trading Members of the Stock Exchanges, as the case may be, after the closing time of acceptance of Applications on the Tranche II Issue Closing Date. For further information on the Issue programme, please see section titled "*Issue Related Information*" on page 326.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Manager or Consortium Member or Trading Members of the Stock Exchanges, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.
- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognised-Intermediaries)
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche II Prospectus, the Abridged Prospectus and the Application Form.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in the Tranche II Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;

- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Manager, Consortium Member, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Consortium Member, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the SEBI Master Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.
- Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
- Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Manager, Consortium Member, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot such series of NCDs, as specified in this Tranche II Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE

APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

Applicants applying for Allotment in dematerialized form must mention their DP ID ,Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Manager, Trading Members of the Stock Exchanges, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Manager, Trading Members of the Stock Exchanges, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche II Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of RTA Master Circular, and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006, may be exempt from specifying their PAN for transacting in the securities market. In accordance with RTA Master Circular, issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., either Sikkim category or exempt category.

D. Joint Applications

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in this Tranche II Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

F. Unified Payments Interface (UPI)

Pursuant to the SEBI Master Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

Electronic registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. The Lead Manager, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchanges or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms. In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche II Issue Closing Date. On the Tranche II Issue Closing Date, Designated Intermediaries and Designated Branches of SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*Issue Structure*" on page 326.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchanges.

(e) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(f) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location
- Application amount

(g) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(h) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche II Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(i) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges.

(j) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Tranche II Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form.

Do's

1. Check if you are eligible to apply as per the terms of this Tranche II Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;

7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be;
8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
14. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchanges, match with the DP ID, Client ID and PAN available in the Depository database;
15. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
16. Ensure that the Applications are submitted to the Lead Manager, Consortium Members, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche II Issue Closing Date. For further information on the Issue programme, please see the section titled "*Issue Related Information*" on page 326;
17. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
18. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
19. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
20. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
21. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
22. Tick the series of NCDs in the Application Form that you wish to apply for.
23. Check if you are eligible to Apply under ASBA;
24. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹ 500,000;
25. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
26. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchanges' App/ Web interface
27. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and

branch;

28. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
29. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40
30. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

In terms of SEBI Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Master Circular stipulates the time between closure of the Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Consortium Member, sub-consortium member, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company;
5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be;
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter*-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
18. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Manager or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities; and
19. Do not submit more than five Application Forms per ASBA Account.
20. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
21. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
22. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 5,00,000;

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please see "*Rejection of Applications*" on page 378 for information on rejection of Applications.

Submission of completed Application Forms

For details in relation to the manner of submission of Application Forms, see "Issue Procedure" beginning on page 501.

OTHER INSTRUCTIONS

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreements dated December 26, 2017 between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreements dated April 10, 2014 between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.
3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
5. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
6. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
7. It may be noted that NCDs in electronic form can be traded only on Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
8. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
9. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 352.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Chief Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchanges in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchanges.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by our Company

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
(e) we shall utilize the Issue proceeds only upon creation of security as stated in this Tranche II Prospectus in the section titled "*Terms of the Issue*" on page 332 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchanges;
(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
(g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by our Company expeditiously and satisfactorily;
(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Tranche II Issue Closing Date;
(d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
(e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee;
(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Tranche II Prospectus.
(g) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.
(h) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.
(i) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- Applications not made through the ASBA facility;
- Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications by OCBs;
- Applications for an amount below the minimum application size;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant.
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;
- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI

Mandate Request raised has not been provided;

- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the online platform of the Stock Exchanges;
- Applications uploaded after the expiry of the allocated time on the Tranche II Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Tranche II Prospectus;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;
- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Category not ticked;
- Forms not uploaded on the electronic software of the Stock Exchanges;
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Tranche II Prospectus and as per the instructions in the Application Form;
- UPI Mandate Request is not approved by Retail Individual Investors.

Kindly note that ASBA Applications submitted to the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see below "*Issue Procedure-Information for Applicants*".

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchanges, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Manager, Consortium Member and Trading Members of the Stock Exchanges at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the

Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchanges, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Tranche II Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Tranche II Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

(a) Allotment of NCDs in this Tranche II Issue shall be made within the time period stipulated by SEBI;
(b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
(c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Tranche II Issue Closing Date, for the delay beyond five Working days; and
(d) Our Company will provide adequate funds to the Registrar to the Issue for this purpose.

Retention of oversubscription

The base issue size of this Tranche II Issue is ₹ 400 crore. Our Company may at its discretion have the option to retain any amount of oversubscription up to ₹ 600 crore.

Basis of Allotment

The Registrar to the Issue will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid Applications for the purpose of drawing the Basis of Allotment.

Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, **("Institutional Portion")**;

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Non-Institutional Portion")**.

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("High Net Worth Individual Investors Portion")**.

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Investors Portion")**.

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion**" and collectively referred to as **"Portions"**.

For the purposes of determining the number of Secured NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Secured NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any oversubscription in a Tranche Issue up to an amount specified under the relevant Tranche Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any oversubscription in any Tranche Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed in the relevant Tranche Prospectus.

The Registrar to the Issue will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid Applications for the purpose of drawing the Basis of Allotment.

Allocation Ratio

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
25%	30%	20%	25%

Unblocking of funds:

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Tranche II Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 5 Working Days from the Tranche II Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche II Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Investor Withdrawals and Pre-closure

Investor Withdrawal: *Applicants are allowed to withdraw their Applications at any time prior to the Tranche II Issue Closing Date.*

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Tranche II Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Tranche II Issue Closing Date or early closure date, as applicable.

Pre-closure/ Early Closure: *Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Tranche II Issue Closing Date. Our Company shall allot NCDs with respect to the Applications* *received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.*

In the event of such early closure of this Tranche II Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche II Issue Closing Date of the Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this Tranche II Issue have been given.

Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Tranche II Issue Closing Date.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Tranche II Issue Closing Date, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) working days from the Tranche II Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges(s), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche II Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Tranche II Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

SECTION VIII - SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

1. CONSTITUTION OF THE COMPANY

1.1. The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.

1.2. The regulations for the management of the Company and for the observance of the shareholders thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

2. INTERPRETATION

3. DEFINITIONS

3.1 In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

3.1.1 "**Act**" means the Companies Act, 2013 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and all rules and clarifications issued thereunder or the Companies Act, 1956 and the rules issued thereunder (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and shall include all amendments, modifications and re-enactments of the foregoing.

3.1.2 "**ADRs**" shall mean American Depository Receipts representing ADSs.

3.1.3 "Annual **General Meeting**" shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.

3.1.4 "ADSs" shall mean American Depository Shares, each of which represents a certain number of Equity Shares.

3.1.5 **"Articles"** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

3.1.6 **"Auditors"** shall mean and include those persons appointed as such for the time being by the company.

3.1.7 **"Board"** shall mean the board of directors of the company, as constituted from time to time, in accordance with law and the provisions of these Articles.

3.1.8 **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

3.1.9 **"Beneficial Owner"** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.

3.1.10 **"Capital" or "share capital"** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.

3.1.11 **"Chairman"** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.

3.1.12 **"Companies Act, 1956"** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.

3.1.13 "**Company**" or "**this company**" shall mean CREDITACCESS GRAMEEN LIMITED.*

*NAME OF THE COMPANY IS CHANGED TO CREDITACCESS GRAMEEN LIMITED VIDE CERTIFICATE OF INCORPORATION PURSUANT TO CHANGE OF NAME DATED 12TH JANUARY 2018.

3.1.14 **“Committees”** shall mean a committee constituted in accordance with Article 74.

3.1.15 **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.

3.1.16 **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

3.1.17 **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

3.1.18 **“Director”** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.

3.1.19 **“Dividend”** shall include interim dividends.

3.1.20 “**Equity Share Capital**” shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.

3.1.21 “**Equity Shares**” shall mean fully paid-up equity shares of the Company having a par value of ₹ 10 (Rupees Ten) per equity share, and ₹ 10 (Rupees Ten) vote per equity

3.1.22 share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.

3.1.23 **“Executor”** or **“Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

3.1.24 **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;

3.1.25 “**Financial Year**” shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

3.1.26 “**Fully Diluted Basis**” shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.

3.1.27 **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.

3.1.28 **“GDSs**” shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.

3.1.29 **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.

3.1.30 “**Independent Director**” shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.

3.1.31 **“India”** shall mean the Republic of India.

3.1.32 **"Law"** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, including the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.

3.1.33 "**Managing Director**" shall have the meaning assigned to it under the Act.

3.1.34 "**MCA**" shall mean the Ministry of Corporate Affairs, Government of India.

3.1.35 "**Memorandum**" shall mean the memorandum of association of the Company, as amended from time to time.

3.1.36 **"Office"** shall mean the registered office for the time being of the Company.

3.1.37 **"Officer"** shall have the meaning assigned thereto by Section 2(59) of the Act.

3.1.38 **"Ordinary Resolution**" shall have the meaning assigned thereto by Section 114 of the Act.

3.1.39 "**Paid up**" shall include the amount credited as paid up.

3.1.40 "**Person**" shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

3.1.41 "**Promoter**" shall mean CreditAccess India B.V.

3.1.42 "**Register of Members**" shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.

3.1.43 "**Registrar**" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

3.1.44 "**Rules**" shall mean the rules made under the Act and notified from time to time.

3.1.45 "**Seal**" shall mean the common seal(s) for the time being of the Company.

3.1.46 "**SEBI**" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

3.1.47 "**SEBI Listing Regulations**" Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.1.48 **"Secretary"** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.

3.1.49 "**Securities**" shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

3.1.50 **"Share Equivalents"** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

3.1.51 "**Shareholder**" shall mean any shareholder of the Company, from time to time.

3.1.52 "**Shareholders' Meeting**" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

3.1.53 **"Special Resolution"** shall have the meaning assigned to it under Section 114 of the Act.

3.1.54 **"Transfer"** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "**Transferred**" shall be construed accordingly.

3.1.55 "**Tribunal**" shall mean the National Company Law Tribunal constitutes under Section 408 of the Act.

4. CONSTRUCTION

4.1 In these Articles (unless the context requires otherwise):

4.1.1 References to a Party shall, where the context permits, include such Party's respective successors, legal heirs and permitted assigns.

4.1.2 The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

4.1.3 References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.

4.1.4 Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

4.1.5 Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

4.1.6 The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

4.1.7 Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

4.1.8 A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

4.1.9 Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

4.1.10 References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

4.1.11 References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

4.1.12 In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

5. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

6. SHARE CAPITAL

6.1 The authorised Share Capital of the Company shall be as stated under Clause 5 of the Memorandum of Association of the Company from time to time.

6.2 The Paid up Share Capital shall be at all times a minimum of ₹ 5,00,000 (Rupees Five Lakhs only) or such higher amount as may be required under the Act.

6.3 The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.

6.4 The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

6.5 Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

6.6 The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

6.7 The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

6.8 Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

6.9 Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6.10 All of the provisions of these Articles shall apply to the Shareholders.

6.11 Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

6.12 The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

7. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

8. PREFERENCE SHARES

8.1 Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

8.2 Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

9. PROVISIONS IN CASE OF PREFERENCE SHARES.

9.1 Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

9.1.1 No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

9.1.2 No such shares shall be redeemed unless they are fully paid;

9.1.3 The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;

9.1.4 Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

9.1.5 The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

9.1.6 The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

9.1.7 Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

10. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

11. ADRS/ GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include, at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

12. ALTERATION OF SHARE CAPITAL

12.1 Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

12.1.1 increase its Share Capital by such amount as it thinks expedient;

12.1.2 consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

12.1.3 convert all or any of its fully paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination;

12.1.4 sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

12.1.5 cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

13. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

14. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

15. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

16. REGISTERS TO BE MAINTAINED BY THE COMPANY

16.1 The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996, cause to be kept the following registers in terms of the applicable provisions of the Act

16.1.1 A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

16.1.2 A register of Debenture holders; and

16.1.3 A register of any other security holders.

16.2 The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

16.3 The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

17. SHARES AND SHARE CERTIFICATES

17.1 The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

17.2 A duplicate certificate of shares may be issued, if such certificate:

17.2.1 is proved to have been lost or destroyed; or

17.2.2 has been defaced, mutilated or torn and is surrendered to the Company.

17.3 The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

17.4 A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.

17.5 If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate, within a period of 30 days from the receipt of such lodgement. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.

17.6 The provisions of this Article shall *mutatis mutandis* apply to Debentures and other Securities of the Company.

17.7 When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

17.8 Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

17.9 All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

17.10 The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.

17.11 All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

17.12 The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

17.13 If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

17.14 Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

18. SHARES AT THE DISPOSAL OF THE DIRECTORS

18.1 Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

18.2 If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

18.3 Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

18.4 In accordance with Section 56 and other applicable provisions of the Act and the Rules:

18.5 Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

18.6 Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 15 (fifteen) days of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders.

18.6.1 the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

18.6.2 A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

19. UNDERWRITING AND BROKERAGE

19.1 Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

19.2 The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

20. CALLS

20.1 Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

20.2 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

20.3 The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

20.4 The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

20.5 The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

20.6 If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

20.7 Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

20.8 On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

20.9 Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

20.10 The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

20.11 No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

20.12 The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

21. COMPANY'S LIEN:

21.1 On shares:

21.1.1 The Company shall have a first and paramount lien:

(a) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

21.2 Company's lien, if any, on such partly paid shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

21.3 Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.

21.4 For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

21.5 Provided that no sale shall be made:

21.5.1 unless a sum in respect of which the lien exists is presently payable; or

21.5.2 until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

21.6 No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

21.7 On Debentures:

21.8 The Company shall have a first and paramount lien:

21.8.1 on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

21.8.2 on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

21.8.3 Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

21.9 Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

21.9.1 Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

21.9.2 For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

21.9.3 Provided that no sale shall be made:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

(c) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

21.10 No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

22. FORFEITURE OF SHARES

22.1 If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

22.2 The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

22.3 If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

22.4 When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

22.5 Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

22.6 Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

22.7 The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

22.8 A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

22.9 Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

22.10 Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

22.11 The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

23. FURTHER ISSUE OF SHARE CAPITAL

23.1 Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

23.1.1 to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

(a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

(c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

23.1.2 to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

23.1.3 to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

23.2 The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

23.3 Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company.

23.4 Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

23.5 The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

24. TRANSFER AND TRANSMISSION OF SHARES

24.1 The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

24.2 In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

24.2.1

(i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

24.3 Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

24.4 The Company shall register transfers of its securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of transfers; or issue any valid objection or intimation to the transferee or transferor, as the case may be, within a period of fifteen days from the date of such receipt of request for transfer. Further, transmissions requests for securities held in dematerialized mode and physical mode shall be processed within seven days and twenty one days respectively, after receipt of the specified documents

24.5 The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture- holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

24.6 Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

24.7 Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

24.8 Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

24.9 In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

24.10 The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

24.11 The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

24.12 Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

24.13 A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

24.14 Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

24.15 Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

24.16 No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

24.17 The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

24.18 The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

24.19 The Board may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the delegated authority shall report on transfer of securities to the Board in each meeting.

24.20 There shall be a common form of transfer in accordance with the Act and Rules.

24.21 The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

25. DEMATERIALIZATION OF SECURITIES

25.1 Dematerialization:

Notwithstanding anything contained in these Articles, and subject to the applicable provisions of the Act, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

25.2 Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

25.3 Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.

25.4 If a Person opts to hold his Securities with a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

25.5 Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

25.6 Rights of Depositories & Beneficial Owners:

25.6.1 Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

25.6.2 Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

25.6.3 Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

25.6.4 The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

25.7 Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

25.8 Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

25.9 Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

25.10 Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

25.11 Transfer of Securities:

25.11.1 Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

25.11.2 In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

25.12 Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

25.13 Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

25.14 Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security- holders for the purposes of these Articles.

25.15 Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

25.16 Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

25.17 Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

25.18 Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

26. NOMINATION BY SECURITIES HOLDERS

26.1 Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

26.2 Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

26.3 Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

26.4 Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

26.5 The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

27. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

28. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

29. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO SHAREHOLDERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

30. BORROWING POWERS

30.1 Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the

30.1.1 Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(a) accept or renew deposits from Shareholders;

(b) borrow money by way of issuance of Debentures;

(c) borrow money otherwise than on Debentures;

(d) accept deposits from Shareholders either in advance of calls or otherwise; and

(e) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

30.2 Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

30.3 Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

30.4 Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

30.5 The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

30.6 Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

30.7 The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

31. SHARE WARRANTS

31.1 The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

31.1.1

(i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.

(ii) Not more than one person shall be recognised as depositor of the share warrant.

(iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.

31.2 (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.

31.3 (i) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.

31.4 The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

31.5 The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

32. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

33. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

34. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

35. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

35.1 Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

35.2 Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

36. NOTICE OF GENERAL MEETINGS

36.1 Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

36.2 The notice of every meeting shall be given to:

36.2.1 every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

36.2.2 Auditor or Auditors of the Company, and

36.2.3 all Directors.

36.3 Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

36.4 Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

36.5 Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

36.6 Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

36.7 Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

36.8 Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

36.9 The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

37. REQUISITION OF EXTRAORDINARY GENERAL MEETING

37.1 The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

37.2 Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

37.3 Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

37.4 Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

37.5 The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

37.6 No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

37.7 The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

38. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

39. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

40. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

41. QUESTIONS AT GENERAL MEETING HOW DECIDED

41.1 At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

41.2 In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

41.3 If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

41.4 Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

41.5 Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

41.6 The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

41.7 No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

41.8 The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

42. PASSING RESOLUTIONS BY POSTAL BALLOT

42.1 Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

42.2 Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

43. VOTES OF SHAREHOLDERS

43.1 No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

43.2 No shareholder shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

43.3 Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

43.4 On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

43.5 A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

43.6 If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint-holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

43.7 Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

43.8 Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

43.9 Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

43.10 An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

43.11 A Shareholder present by proxy shall be entitled to vote only on a poll.

43.12 An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

43.13 Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.

43.14 If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

43.15 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

43.16 No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

43.17 The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

43.17.1 The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

43.17.2 Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

43.17.3 In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

43.17.4 The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

43.17.5 All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

43.17.6 Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non- inclusion of any matter in the Minutes on the aforesaid grounds.

43.17.7 Any such Minutes shall be evidence of the proceedings recorded therein.

43.17.8 The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

43.17.9 The Company shall cause minutes to be duly entered in books provided for the purpose of:

(a) the names of the Directors and Alternate Directors present at each General Meeting;

(b) all Resolutions and proceedings of General Meeting.

43.18 The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.

43.19 The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

43.20 All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

43.21 The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

43.22 Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

43.23 The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

44. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

45. CHAIRMAN OF THE BOARD OF DIRECTORS

The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

46. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

47. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42**.** Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

48. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

49. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

50. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

51. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

52. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

53. REMUNERATION OF DIRECTORS

53.1 Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

53.2 Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

53.3 The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

53.4 All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

54. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

55. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for

the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

56. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

57. VACATION OF OFFICE BY DIRECTOR

57.1 Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall ipso facto be vacated if:

57.1.1 he is found to be of unsound mind by a court of competent jurisdiction; or

57.1.2 he applies to be adjudicated an insolvent; or

57.1.3 he is adjudged an insolvent; or

57.1.4 he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or

57.1.5 he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

57.1.6 he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or

57.1.7 he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or

57.1.8 having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

57.1.9 he acts in contravention of Section 184 of the Act; or

57.1.10 he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or

57.1.11 he is removed in pursuance of Section 169 of the Act; or

57.1.12 he is disqualified under Section 164(2) of the Act.

57.1.13 Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

58. RELATED PARTY TRANSACTIONS

58.1 Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :

58.1.1 sale, purchase or supply of any goods or materials;

58.1.2 selling or otherwise disposing of, or buying, property of any kind;

58.1.3 leasing of property of any kind;

58.1.4 availing or rendering of any services;

58.1.5 appointment of any agent for purchase or sale of goods, materials, services or property;

58.1.6 such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

58.1.7 underwriting the subscription of any securities or derivatives thereof, of the company:

(a) without the consent of the Shareholders by way of a Special Resolution in accordance with Section 188 of the Act.

58.2 no Shareholder of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

58.3 nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis

58.4 The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

58.5 The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

58.6 The term 'related party' shall have the same meaning as ascribed to it under the Act.

58.7 The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

59. DISCLOSURE OF INTEREST

59.1 A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

59.2 No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

59.2.1 any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

59.2.2 any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,

(a) in his being –

(i) a director of such company, and

(ii) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

(iii) in his being a shareholder holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

59.3 The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

59.4 A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

60. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

61. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

61.1 If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

61.2 If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

61.2.1 at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

61.2.2 retiring Director has, by a notice in writing addressed to the Company or its Board , expressed his unwillingness to be so reappointed;

61.2.3 he is not qualified or is disqualified for appointment; or

61.2.4 a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

62. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

63. REGISTER OF DIRECTORS ETC.

63.1 The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

63.2 The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

64. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

65. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

66. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

67. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

68. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

69. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

69.1 The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

69.1.1 to make calls on Shareholders in respect of money unpaid on their shares;

69.1.2 to authorise buy-back of securities under Section 68 of the Act;

69.1.3 to issue securities, including debentures, whether in or outside India;

69.1.4 to borrow money(ies);

69.1.5 to invest the funds of the Company;

69.1.6 to grant loans or give guarantee or provide security in respect of loans;

69.1.7 to approve financial statements and the Board's report;

69.1.8 to diversify the business of the Company;

69.1.9 to approve amalgamation, merger or reconstruction;

69.1.10 to take over a company or acquire a controlling or substantial stake in another company;

69.1.11 fees/ compensation payable to non-executive directors including independent directors of the Company; and

69.1.12 any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

69.1.13 The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

69.1.14 The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

69.1.15 In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

69.2 to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

69.3 to borrow money; and

69.4 any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

70. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956.

71. PROCEEDINGS OF THE BOARD OF DIRECTORS

71.1 Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.

71.2 The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

71.3 The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

71.4 The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.

71.5 At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

71.6 At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

72. QUORUM FOR BOARD MEETING

72.1 Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

72.2 If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

73. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

73.1 Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

73.2 No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

74. ELECTION OF CHAIRMAN OF BOARD

74.1 The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

74.2 If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

75. POWERS OF THE BOARD

75.1 Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

75.1.1 The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

75.1.2 The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

75.1.3 Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

(a) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

(b) Remit, or give time for repayment of, any debt due by a Director;

(c) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

(d) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

76. COMMITTEES AND DELEGATION BY THE BOARD

The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

77. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

78. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

79. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

79.1 The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

79.2 The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.

79.3 Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

79.4 In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

79.5 The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -

79.5.1 all appointments of Officers;

79.5.2 the names of the Directors present at each meeting of the Board;

79.5.3 all resolutions and proceedings of the meetings of the Board;

79.5.4 the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.

79.5.5 Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -

79.5.6 is or could reasonably be regarded as defamatory of any person;

79.5.7 is irrelevant or immaterial to the proceedings; or

79.5.8 is detrimental to the interests of the Company.

79.6 The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.

79.7 Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

79.8 The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

80. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

81. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

82. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

83. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

84. OFFICERS

84.1 The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

84.2 The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

84.3 The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

84.4 Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

84.5 The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

85. THE SECRETARY

85.1 Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

85.2 The Secretary shall be an individual responsible to ensure that there shall be no default, non- compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

86. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

86.1 Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

86.1.1 on terms approved by the Board;

86.1.2 which includes each Director as a policyholder;

86.1.3 is from an internationally recognised insurer approved by the Board; and

86.1.4 for a coverage for claims of an amount as may be decided by the Board, from time to time.

87. SEAL*

87.1 The Board may provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, if any for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.

87.2 The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.

87.3 It shall not be mandatory for the Company to affix the seal of the company on any document, unless specifically requested for by the third party. Only in case of such request, the seal can be affixed to such instrument by way of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and in the presence of any one of either (i) Managing Director; or (ii) Chief Executive Officer, or (iii) Chief Financial Officer; or (iv) Company Secretary; or in the absence of all of the above (v) such other person as may be authorised by the Board or Committee thereof, who shall sign every instrument to which the seal of the company is so affixed.

88. ACCOUNTS

88.1 The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

88.2 Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

88.3 The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

89. *ARTICLE 85 IS AMENDED AT THE 29TH ANNUAL GENERAL MEETING OF MEMBERS HELD ON AUGUST 11, 2020 VIDE SPECIAL RESOLUTION.

89.1 When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

89.2 No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.

89.3 In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:

89.3.1 the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;

89.3.2 number of meetings of the Board;

89.3.3 Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;

89.3.4 a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;

89.3.5 in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;

89.3.6 explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

(a) by the auditor in his report; and

(b) by the company secretary in practice in his secretarial audit report;

89.3.7 particulars of loans, guarantees or investments under Section 186 of the Act;

89.3.8 particulars of contracts or arrangements with related parties referred to in sub-section

(a) (1) of Section 188 in the prescribed form;

89.3.9 the state of the company's affairs;

89.3.10 the amounts, if any, which it proposes to carry to any reserves;

89.3.11 the amount, if any, which it recommends should be paid by way of Dividends;

89.3.12 material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

89.3.13 the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

89.3.14 a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

89.3.15 the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

89.3.16 in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and

89.3.17 such other matters as may be prescribed under the Law, from time to time.

89.4 All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

90. AUDIT AND AUDITORS

90.1 Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.

90.2 Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

90.3 Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

90.4 The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.

90.5 Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

90.6 The Company shall within 7 (seven) days of the Central Government's power under sub clause

90.7 becoming exercisable, give notice of that fact to the Government.

90.8 The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

90.9 A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

90.10 The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

90.11 None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

91. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

92. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

93. DOCUMENTS AND NOTICES

93.1 A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

93.2 Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

93.3 A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of shareholders in respect of the Share.

93.4 Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

93.5 Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

93.6 All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

93.7 Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a shareholder has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each shareholder an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

94. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

95. SERVICE ON SHAREHOLDERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

96. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

97. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

97.1 Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

97.1.1 To the Shareholders of the Company as provided by these Articles.

97.1.2 To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.

97.1.3 To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

98. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

99. DIVIDEND POLICY

99.1 The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid- up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

99.2 Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

99.3 (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Actor out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -

99.3.1 if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and

99.3.2 if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Actor against both.

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

99.4 The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

99.5 Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

99.6

(i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof

Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

99.7 Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

99.8 Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

99.9 Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

99.10 Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

99.11 Unless otherwise directed any Dividend shall be paid through electronic mode of payment facility approved by the Reserve Bank of India. Where it is not possible to use electronic mode of payment, dividend may be paid by 'payable at par' cheques or warrants sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

99.12 No unpaid Dividend shall bear interest as against the Company.

99.13 Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

99.14 Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

99.15 The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

100. UNPAID OR UNCLAIMED DIVIDEND

100.1 If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.

100.2 Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investors Education and Protection Fund”.

100.3 No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law and such forfeiture, if effected, shall be annulled in appropriate cases.

101. CAPITALIZATION OF PROFITS

101.1 The Company in General Meeting may, upon the recommendation of the Board, resolve:

101.1.1 that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the Company’s profit and loss account or otherwise, as available for distribution, and

101.1.2 that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

101.1.3 The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(b) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(c) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

101.2 A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

102. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

102.1 The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.

102.2 Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

102.2.1 make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

102.2.2 generally do all acts and things required to give effect thereto.

102.3 The Board shall have full power:

102.3.1 to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

102.3.2 to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

102.4 Any agreement made under such authority shall be effective and binding on all such shareholders.

103. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

103.1 If the company shall be wound up, the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

103.2 For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

104. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

105. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss ,damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

106. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

107. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

107.1 The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.

107.2 The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

107.3 The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

108. SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

109. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

110. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka, India between 10 am to 5 pm on any Working Days from the date of the filing of this Tranche II Prospectus with Stock Exchanges, SEBI and ROC.

MATERIAL CONTRACTS

1. Issue Agreement dated September 23, 2022 executed between our Company and the Lead Manager.

2. Registrar Agreement dated September 13, 2022 executed between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated September 19, 2022 executed between our Company and the Debenture Trustee.

4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

5. Consortium Agreement dated August 17, 2023 executed between our Company, the Consortium Member and the Lead Manager.

6. Public Issue Account Agreement dated August 17, 2023 executed between our Company, the Registrar, the Public Issue Account Bank, Refund Bank and Sponsor Bank, and the Lead Manager.

7. Tripartite agreement dated December 26, 2017 among our Company, the Registrar to the Issuer and CDSL.

8. Tripartite agreement dated April 10, 2014 among our Company, the Registrar to the Issuer and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated June 12, 1991 issued by the RoC, West Bengal at Calcutta, for incorporation as Sanni Collection Private Limited.

3. Certificate of Incorporation of our Company dated March 14, 2008 issued by the RoC, Calcutta, West Bengal for change of name from Sanni Collection Private Limited to Grameen Financial Services Private Limited.

4. Certificate of Incorporation of our Company dated November 13, 2014 issued by the RoC, Bangalore for change of name from Grameen Financial Services Private Limited to Grameen Koota Financial Services Private Limited.

5. Certificate of Incorporation of our Company dated December 18, 2017 issued by the RoC, Bangalore consequent upon conversion to a public limited company.

6. Certificate of Incorporation of our Company dated January 2, 2018 issued by the RoC consequent upon change of name to CreditAccess Grameen Limited.

7. The certificate of registration bearing code no. B - 02.00252 dated January 19, 2018 issued by the RBI to commence/ carry on the business of non-banking financial institution without accepting public deposits.

8. Copy of shareholders' resolution on November 21, 2018 under Section 180(1)(a) of the Companies Act, 2013 on overall borrowing and security creation limits of the Board of Directors of our Company.

9. Copy of shareholders' resolution on July 30, 2021 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing and security creation limits of the Board of Directors of our Company.

10. Copy of the resolution passed by the Board of Directors dated March 23, 2022 approving the issue of NCDs.

11. Copy of the resolution passed by the EBI Committee at its meeting held on September 23, 2022 approving the Draft

Shelf Prospectus.

12. Copy of the resolution passed by the EBI Committee at its meeting held on November 4, 2022 approving the Shelf Prospectus and Tranche I Prospectus.

13. Copy of the resolution passed by the EBI Committee at its meeting held on August 18, 2023 approving this Tranche II Prospectus.

14. Credit rating letter dated August 4, 2022 revalidated vide letter dated September 8, 2022 and affirmed vide letter dated April 24, 2023 by India Ratings assigning a rating of "IND AA-/Stable" for the Issue with rating rationale and press release dated June 28, 2022 and August 4, 2022, respectively.

15. Consents of the Directors, Chief Financial Officer, Company Secretary and Chief Compliance Officer, Lead Manager to the Issue, Legal Advisor to the Issue, Credit Rating Agency for this Tranche II Issue, Lenders/Bankers to our Company, Registrar to the Issue and the Debenture Trustee for the NCDs, Consortium Member, Public Issue Account Bank, Refund Bank, Sponsor Bank to include their names in this Tranche II Prospectus in their respective capacity.

16. Consent of ICRA Limited dated June 7, 2022 and July 28, 2023 as the agency issuing the industry report titled "*Industry set for profitability boost in FY2024, with growth remaining robust*" dated May 2023; ICRA Report on "*Indian Microfinance Industry: RBI's regulatory changes to create level playing field and provide more flexibility to NBFC-MFIs; however, increased indebtedness limit poses risk of overleveraging*" dated March 2022; forming part of the Industry Overview chapter.

17. Consent of MFIN dated July 15, 2022 and July 27, 2023, as the agency issuing the industry report titled "*Micrometer March-2023*" Issue 45 Micrometer Data report for data as on March 31, 2023 dated March 31, 2023 forming part of the Industry Overview chapter.

18. Consent of CRIF dated July 21, 2022 and August 3, 2023 as the agency issuing the industry report titled "*MicroLend Quarterly Publication on Microfinance Lending Volume XIX Mar 2022*" *and "MicroLend Quarterly Publication on Microfinance Lending Volume XXII Mar 2023 by CRIF*" respectively forming part of the Industry Overview chapter.

19. Our Company has received the written consent dated August 18, 2023 from Deloitte Haskins & Sells and PKF Sridhar & Santhanam LLP, to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Tranche II Prospectus, and as "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (i) Audited Financials; and (ii) the Unaudited Standalone Financial Results and Unaudited Consolidated Financial Results for the quarter ended June 30, 2023. However, the term "expert" and "consent" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

20. The reports on statement of possible tax benefits dated August 17, 2023 issued by Rao Associates.

21. Annual Report of our Company for the last three financial years ended March 31, 2023, 2022 and 2021.

22. Unaudited Standalone Financial Results and Unaudited Consolidated Financial Results for the quarter ended June 30, 2023.

23. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/013/22-23 dated October 3, 2022.

24. In-principle listing approval from NSE by its letter no. NSE/LIST/D/2022/0142 dated October 3, 2022.

25. Due Diligence Certificate dated November 4, 2022 and August 18, 2023 filed by the Lead Manager with SEBI at the time of filing the Shelf Prospectus and this Tranche II Prospectus, respectively.

26. Due Diligence certificate dated September 23, 2022 filed by the Debenture Trustee to the Issue, at the time of filing the Draft Shelf Prospectus.

27. Due Diligence certificate dated November 4, 2022 and August 18, 2023 filed by the Debenture Trustee to the Issue, at the time of filing the Shelf Prospectus and this Tranche II Prospectus, respectively.

28. Scheme of Amalgamation approved by the board of our Company dated November 27, 2019 and January 22, 2020 and October 23, 2020.

29. Orders passed by Hon'ble National Company Law Tribunal ("**NCLT**"), Chennai Bench and Bengaluru Bench on October 12, 2022 and February 7, 2023, respectively, approving the Scheme of Amalgamation.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Tranche II Issue including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be and other competent authorities in this respect, from time to time have been complied with and no statement made in this Tranche II Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Tranche II Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements. Furthermore, all the monies received under this Tranche II Issue shall be used only for the purposes and objects indicated in this Tranche II Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Tranche II Prospectus thereto is true, correct and complete and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company

Udaya Kumar Hebbar
Managing Director
DIN: 07235226

George Joseph
Chairman & Lead Independent Director
DIN: 00253754

Lilian Jessie Paul
Independent Director
DIN: 02864506

Manoj Kumar
Independent Director
DIN: 02924675

Massimo Vita
Nominee Director
DIN: 07863194

Sumit Kumar
Nominee Director
DIN: 07415525

Paolo Brichetti
Vice Chairman & Non- Executive Director
DIN: 01908040

Rekha Gopal Warriar
Independent Director
DIN: 08152356

Date: August 18, 2023
Place: Bangalore

ANNEXURE A – CREDIT RATING LETTER, RATING RATIONALE AND PRESS RELEASE

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India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. S. Balakrishna Kamath
Chief Financial Officer
CreditAccess Grameen Limited
#49, 46th Cross, 8th Block,
Jayanagar,
Bangalore – 560071

April 24, 2023

Dear Sir/Madam,

Re: Rating Letter of CreditAccess Grameen Limited

India Ratings and Research (Ind-Ra) has taken the following rating actions on CreditAccess Grameen Limited's (CA Grameen) debt instruments:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Long-term bank loans	-	-	-	INR10,000	IND AA-/Stable	Assigned
Principal protected market linked debentures (PP-MLDs)*	-	-	-	INR600	IND PP-MLD AA-/Stable	Affirmed
Long-term bank loans	-	-	-	INR40,000	IND AA-/Stable	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	INR15,200 (reduced from INR16,000)	IND AA-/Stable	Affirmed

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Prakash Agarwal

Prakash Agarwal
Senior Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Term Loan	IDFC First Bank	IND AA-/Stable	2861.70
Term Loan	Punjab National Bank	IND AA-/Stable	522.70
Term Loan	Axis Bank Limited	IND AA-/Stable	6886.40
Term Loan	Bank of Baroda - Corporate Banking	IND AA-/Stable	1097.70
Term Loan	Punjab National Bank - Corporate Banking	IND AA-/Stable	1400.00
Term Loan	SIDBI	IND AA-/Stable	700.00
Term Loan	Union Bank of India	IND AA-/Stable	603.70
Term Loan	Bank of Baroda	IND AA-/Stable	6526.30
Term Loan	IDBI Bank	IND AA-/Stable	1285.40
Term Loan	Micro Units Development and Refinance Agency (MUDRA)	IND AA-/Stable	2750.00
Term Loan	Bandhan Bank	IND AA-/Stable	4025.00
Term Loan	Bajaj Finance	IND AA-/Stable	2714.00
Term Loan	Standard Chartered bank	IND AA-/Stable	3679.00
Term Loan	NA	IND AA-/Stable	4947.60

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCDs	INE741K07264	28/02/2020	10.5	28/02/2023	WD	800
NCDs	INE741K07462	22/11/2022	9.45	22/11/2024	IND AA-/Stable	1,853.1
NCDs	INE741K07454	22/11/2022	9.83	22/11/2024	IND AA-/Stable	250.6
NCDs	INE741K07470	22/11/2022	9.6	22/11/2025	IND AA-/Stable	2,124.9
NCDs	INE741K07488	22/11/2022	10.02	22/11/2025	IND AA-/Stable	133.9
NCDs	INE741K07496	22/11/2022	10	22/11/2027	IND AA-/Stable	555.0
NCDs	INE741K07504	22/11/2022	100.46	22/11/2027	IND AA-/Stable	82.4
NCDs (unutilised)					IND AA-/Stable	10,200
PP-MLDs	INE741K07447	27/09/2022	8.45	27/12/2024	IND PP-MLD AA-/Stable	600

RA

India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. S. Balakrishna Kamath
Chief Financial Officer
CreditAccess Grameen Limited
#49, 46th Cross, 8th Block,
Jayanagar,
Bangalore – 560071

September 08, 2022

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of CreditAccess Grameen Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of
-INR16.0 billion long-term non-convertible debentures (NCDs): 'IND AA-'/Stable.

Please refer to annexure for details

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

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In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Prakash Agarwal

Prakash Agarwal
Director

K Gupta

Karan Gupta
Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Amount	Long Term	Short Term	Long Term Outlook	Short Term Outlook
NCDs	INE741K07264	28/02/2020	10.5	28/02/2023	800	IND AA-		Stable	
NCDs (Unutilized)					15200	IND AA-		Stable	

PA

India Ratings & Research
A Fitch Group Company

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Mr. S. Balakrishna Kamath
Chief Financial Officer
CreditAccess Grameen Limited
#49, 46th Cross, 8th Block,
Jayanagar,
Bangalore – 560071

August 04, 2022

Dear Sir/Madam,

Re: Rating Letter of CreditAccess Grameen Limited

India Ratings and Research (Ind-Ra) has taken the following rating actions on CreditAccess Grameen Limited's (CA Grameen) debt instruments:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Long-term bank loans	-	-	-	INR20,000	IND AA-/ Stable	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	INR1,000	IND AA-/Stable	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	INR15,000	IND AA-/Stable	Assigned

*Details given in annexure

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India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Prakash Agarwal

Prakash Agarwal
Director

K Gupta

Karan Gupta
Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Term Loan	IDFC First Bank	IND AA-/Stable	2059.5
Term Loan	Punjab National Bank - Corporate Banking	IND AA-/Stable	765.2
Term Loan	Axis Bank Limited	IND AA-/Stable	4700
Term Loan	Bank of Baroda	IND AA-/Stable	3666.7
Term Loan	Punjab National Bank	IND AA-/Stable	2000
Term Loan	SIDBI	IND AA-/Stable	650
Term Loan	Union Bank of India	IND AA-/Stable	200
Term Loan	NA	IND AA-/Stable	5958.7

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Amount	Long Term	Short Term	Long Term Outlook	Short Term Outlook
NCDs	INE741K07264	28/02/2020	10.5	28/02/2023	800	IND AA-		Stable	

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India Ratings Assigns CreditAccess Grameen Additional Debt Instruments ‘IND AA-’/ Stable; Affirms Existing Ratings

Aug 04, 2022 | Financial Services

India Ratings and Research (Ind-Ra) has taken the following rating actions on CreditAccess Grameen Limited’s (CA Grameen) debt instruments:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Long-term bank loans	-	-	-	INR20,000	IND AA-/ Stable	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	INR1,000	IND AA-/Stable	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	INR15,000	IND AA-/Stable	Assigned

*Details given in annexure

CA Grameen’s (consolidated) operating performance in 1QFY23 remained healthy, with its pre-provisioning operating profit (PPOP) to credit cost buffer improving to 2.9x (FY22: 1.8x; FY21: 1.2x). The annualised return over assets stood at 3.3% in 1QFY23 (FY22: 2.2%; FY21: 1.0%) as the credit cost (annualised) declined to 2.8% (4.5%; 6.8%). Ind-Ra expects the company’s credit cost for FY23 to show a declining trend as its restructured loans are minimal. CA Grameen’s assets under management declined qoq as its disbursements remained muted in April-May, due to the implementation of new lending method stipulated by the Reserve Bank of India's revised MFI regulations, but its assets under management grew

23.3% yoy to INR156.2 billion.

The company continued to expand its reach to newer states by opening 46 branches in 1QFY23, taking the total network to 1,681. CA Grameen's asset quality remained stable with gross non-performing asset ratio (consolidated) remaining at 3.1% in 1QFY23 (FY22: 3.6%; FY21: 4.4%) and its net non-performing asset ratio of 1.1% (1.3%; 1.4%). The capital adequacy continued to be adequate with Tier-I ratio of 24% in 1QFY23 (FY22: 25.9%; FY21: 30.5%).

Ind-Ra believes that these buffers are adequate to withstand the credit costs of 5%-10%, which is the overall industry experience through credit events. According to the asset liability management statement at end-June 2022, its liquidity remained adequate, with a cumulative surplus (excess of short-term assets over short-term liabilities) of up to one year (19% of total assets). This also reflects the unencumbered cash and liquid investments of over INR11.6 billion at end-June 2022 and unutilised bank lines of about INR36 billion (end-March 2022: INR25 billion).

Key Rating Drivers

For the detailed rationale, click here.

Rating Sensitivities

Positive: Material product diversification with demonstrated performance, appreciable reduction in the geographic concentration while maintaining strong capital buffers, a stable asset quality, and the liquidity buffers in line with the company's plans, on a sustained basis, could lead to a positive rating action.

Negative: A material deterioration in the asset quality and/or the liquidity position, funding challenges and pressure on the profitability due to the increased credit cost leading to a loss on annual basis could lead to a negative rating action. The leverage exceeding 4x, on a sustained basis, could also result in a negative rating action. If, in the agency opinion, the franchise of CA Grameen weakens, it could also lead to a negative rating action.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on CA Grameen, either due to their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

Company Profile

CA Grameen commenced operations in May 1999 as a project under the T. Muniswamappa Trust, a registered non-governmental organisation in Bengaluru. Subsequently, in 2007, the microfinance operations were transferred into an NBFC. CA Grameen offers collateral-free micro-loans to women from low-income households under the joint liability group model. It also offers retail finance products to support the evolving needs of its existing customers. The average ticket size for microfinance loans is about INR30,300, while that for retail finance is INR48,800. The promoter group, CreditAccess India N.V. held a 73.8% stake in the company at end-June 2022.

FINANCIAL SUMMARY

Parameters	FY22*	FY21*
Tangible assets (INR billion)	171.1	147.9

Tangible equity (INR billion)	36.9	34.2
Net income (INR billion)	3.6	1.3
Return on average managed assets (%)	2.4	1.0
Equity/ assets (%)	21.6	23.1
Tier 1 capital (%)	25.9	30.5
Source: Company, *On a consolidated basis except for Tier 1 capital Note: Equity is excluding minority interest, deferred tax and intangibles as per Ind-Ra methodology		

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook				Historical Rating/ Rating Watch/				
	Rating Type	Rated Limits (million)	Rating	28 June 2022	10 January 2022	11 January 2021	20 November 2020	28 May 2020	18 Marc
Long-term bank loans	Long-term	INR20,000	IND AA-/Stable	IND AA-/Stable	IND A+/Stable	IND A+/Stable	IND A+/Stable	IND A+/RWN	IND A+
NCDs	Long-term	INR16,000	IND AA-/Stable	IND AA-/Stable	IND A+/Stable	IND A+/Stable	IND A+/Stable	IND A+/RWN	IND A+

Annexure

Instrument Type	ISIN	Date of Allotment	Coupon (%)	Maturity Date	Amount (million)	Rating/Outlook
NCDs	**INE741K07264**	**28 February 2020**	**10.5**	**28 February 2023**	**INR800**	**IND AA-/Stable**
				Limit unutilised	INR15,200	
				Total	INR16,000	

Bank wise Facilities Details

Click here to see the details

Complexity Level of Instruments

Instrument Type	Complexity Indicator

Bank loans (short- & long-term facilities)	Low
NCDs	Low

For details on the complexity levels of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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APPLICABLE CRITERIA

Evaluating Corporate Governance

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

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India Ratings Upgrades CreditAccess Grameen's Debt Instruments to 'IND AA-'/ Stable

Jun 28, 2022 | Financial Services

India Ratings and Research (Ind-Ra) has taken the following rating actions on CreditAccess Grameen Limited's (CA Grameen) debt instruments:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Long-term bank loans	-	-	-	INR20,000	IND AA-/ Stable	Upgraded
Non-convertible debentures (NCDs)*	-	-	-	INR1,000	IND AA-/Stable	Upgraded

*Details given in annexure

The upgrade factors in CA Grameen's improved geographical diversification, the ability to manage asset quality as demonstrated during the pandemic and other systemic events in the past few years, and the tailwinds of a supportive regulatory environment. The rating also factors in the company's industry-leading franchise in the non-banking financial companies-micro finance institutions (NBFC-MFI) segment, the experienced management, healthy operating performance, and above average capital buffers. Ind-Ra notes that the company has adopted certain operating practices, which could provide a strong operational control and oversight and aid faster response on emerging issues.

The agency considers the vulnerability of the sector to unexpected sporadic socio-political/idiosyncratic risks, getting accentuated due to higher geographic concentration, leading to sharp volatility in its performance, and as a result, NBFC-

MFIs require above average capital and liquidity buffers to provide the cushion during these events. Ind-Ra also notes that the company is working on strengthening its technological infrastructure.

Key Rating Drivers

Large Rural-Focused Franchise, with Well Established Track Record: CA Grameen has a well-established large franchise, with an operational history of over two decades. The company is the largest NBFC-MFI in India, with assets under management (AUM) of INR166 billion and a borrower base of 3.8 million, on a consolidated basis (including its subsidiary, Madura Micro Finance Limited (MMFL)), at FYE22.

The company benefits from its business model (providing credit line) where customers can borrow, on the basis of their needs (with policy being fresh credit check); its deep penetration in rural areas (it has more average number of branches per district (5.0 vs 2.5-3.5 for most large MFIs); and higher borrower retention rates (about 84% vs 50-75%) than its peers. Moreover, the agency learns that over 80% of its borrowers operate in the essential goods and services segments which generally are able to ride through cycles.

Organic and Inorganic Efforts to Reduce Concentration: The acquisition of MMFL in March 2020 has deepened CA Grameen's rural presence, as about 96% of MMFL's borrowers are based in rural areas. Furthermore, the acquisition helped CA Grameen reduce the geographic concentration in Karnataka (including MMFL) to 36% in FYE22 (FYE19: 53%). Although the average AUM per borrower in the top three states of about INR49,700 was higher than INR34,300 of other states; top three states have longer vintage customers relative to other states, leading to higher ticket size, lower operating costs and higher familiarity in operational dynamics between the company and its borrowers.

Demonstrated Ability to Ride through Cycles: Due to the pandemic-led disruptions, CA Grameen reported elevated credit costs of 6.8% in FY21 and 4.5% in FY22 (FY20: 2.7%; FY19: 1.3%). Given that most MFIs have restructured their assets at end-March 2022 in the range of 5-10% as against 0.9% for CA Grameen, the credit cost for CA Grameen over two years was 10-15% lower than that of the industry (some of these costs may be borne by others in 1HFY23 as assets came out of restructuring). Even after the demonetisation, most MFIs with a focus on Maharashtra/Uttar Pradesh and Madhya Pradesh had their credit costs in the range of 5-10% while CA Grameen witnessed credit costs of about 4%.

Healthy Operating Buffers to Absorb Credit Cost Volatility: CA Grameen's (consolidated) gross stage 3 ratio (60-day non-performing asset recognition policy for group loans and 90-day recognition policy for retail finance) decreased to 3.6% at FYE22 (FYE21: 4.4%), while the net stage 3 ratio stood at 1.3% (1.4%) with a provision coverage ratio of 64.4%. At end-March 2022, the restructured loans remained low at 0.9%, with a provision of 30% for the same. The proportion of non-paying customers declined to 2% in March 2022 from 12.3% in June 2021.

CA Grameen (consolidated) had one of the lowest operating cost to average assets ratio (FY22: 5.2%; FY21: 5.1%; FY20: 4.8%) in the industry. CA Grameen's pre-provision operating profit margins (FY22:8.1%; FY21: 8.3%; FY20: 7.9%), which are among the highest in the industry on the back of vintage, scale, higher-than-peer's share of three-year loans, provide more than adequate cushion to absorb incremental credit costs. Ind-Ra also believes that these buffers are adequate to withstand the credit costs of 5-10% which is the overall industry experience through credit events.

Liquidity Indicator – Adequate: CA Grameen aims to have inflows exceeding outflows by 50% in the one-year cumulative bucket as well as in each time bucket. Over the next two years, CA Grameen aims to increase the share of long-term funding (through policy institutions and development of finance institutions) further – the share of liabilities with maturity three-year or more was 54%, higher than that of most NBFC-MFIs and even some secured asset NBFCs in the same rating category. CA Grameen (standalone) had unencumbered cash and liquid investments of INR13 billion at end-April 2022. Furthermore, the company had sanctioned but undrawn bank and securitisation lines of about INR23.4 billion at end-April 2022. At end-March 2022, CA Grameen had adequate on-balance sheet resources to cover its debt repayments (principal + interest) for two months, assuming nil inflows while cumulative inflows exceeded cumulative outflows by at least50% in the up-to-one-year maturity buckets.

CA Grameen (standalone) was able to mobilise funds totalling INR68.7 billion during FY22 from various sources at a competitive pricing. The marginal cost of borrowings (standalone) stood at 8.3% in 4QFY22 compared with on-book cost of borrowings of 8.8%. Ind-Ra does not see any major challenge for the company to raise funds incrementally. The company's parent, CreditAccess India N.V. (CAINV) that holds a 73.9% stake in the company, holds INR4.5 billion liquidity, which can be additional source of liquidity if required.

Improving Funding Profile: Banks accounted for the majority of the funding for CA Grameen (FY22: 62.9; FY21: 60.4%) with well-diversified lender base (37 commercial banks, three financial institutions, eight foreign institutional investors, four NBFCs). After the pandemic, being the largest NBFC-MFI, CA Grameen got lenders' preference due to the increased risk-aversion among lenders. Moreover, the proportion of bank loans with more than three-year tenor increased to 39% in FY22 (December 2019: 15%), indicating increasing lender comfort. At end-March 2022, borrowings from policy institutions and foreign entities accounted for 41.6% of the borrowings. The management aims to reduce its monthly obligation against the collection ratio to 50% from the current 65% by increasing the proportion of long-tenor borrowings (in the form of external commercial borrowing / NCDs from global FIIs/FPIs, impact investors, multilateral/ bilateral institutions, development finance institutions, banks) to over 20% in the medium term. Ind-Ra also notes the parentage of CAINV and its enhanced ability would provide the access to global fundraising opportunities with long tenor of more than five years by leveraging its network and relationships. CA Grameen also has a policy of having a maximum of 15% of its AUM in 'off-balance sheet' mode from the 10% currently. The direct assignment transactions have mostly been done at 8.5%-9.5%, lower than that of peers.

Adequate Capitalisation: CA Grameen's (standalone) tier I capital adequacy ratio stood at 25.9% at FYE22 (FYE21: 30.5%; FYE20: 22.3%), with a leverage of 2.8x (2.5x; 3.0x). The company's consolidated leverage ratio (debt to tangible equity) increased to 3.5x in FY22 (FY21: 3.2x; FY20: 3.8x). Ind-Ra expects the company to have a reasonable ability to raise capital from the equity markets. The agency expects the company to operate at a moderate leverage over the medium term to provide a cushion against the idiosyncratic and systemic risks that are an inherent part of the unsecured microfinance segment. The management plans to cap the leverage at 4x on an ongoing basis.

Capability Building Started in Non-MFI loans: New RBI norms (effective 1 April 2022) have reduced the qualifying assets limit to 75% of the total assets from 85% of net assets, likely providing diversification in the assets. During the past two years, CAGL embarked on a number of secured products and unsecured products. The company also plans to offer four new products (to be finalised based on the outcome of the pilot study) such as two-wheeler loans, loan against property, affordable homes and also gold loans. The scale up of these new products will be visible in FY24-FY25. The company aims to build non-MFI book to 15-20% of the AUM by FY25. However, the execution risks remain as the expertise required for secured products is much different than that of the MFI loans, despite having the branch network in place. In addition, the strength of the entire loan cycle would be tested till the time the company builds an adequate scale and seasoning.

Concentration Poses Key Risk to Credit Costs: While the concentration in Karnataka (36%) has reduced, it still is high (even considering MMFL) as a top state compared to other large MFIs. This is of significance, given the idiosyncratic and systemic risks that the sector faces, and the importance of concentration in Ind-Ra's stress tests. Notably, at a district-level, the concentration has reduced with the share of the top 10 districts in terms of AUM declined to 21% at end-March 2022 (FYE19: 32%), with no single district accounting for more than 4% of the portfolio. Moreover, with implementation of risk-based pricing strategy, Ind-Ra expects geographical and product diversification is to gain pace.

Positive Regulatory Developments to Strengthen Business Model Further: After the introduction new RBI regulations, starting 1 April 2022**,** CA Grameen has implemented the risk-based pricing, based on the customer profile and given its low-cost borrowings relative to its MFI peers, the company remains in a better position to compete even in a relatively newer geographies as the higher operating cost in the initial phase of the entry can be absorbed effectively. Moreover, with new RBI regulations allowing maximum fixed obligations to income ratio of 50% (i.e. monthly EMI including principal and interest < 50% of the monthly household income), MFIs will extend longer tenor loans to its customers; for many use cases, the EMI burden would decline, making the serviceability relatively easy. CA Grameen had introduced a three-year income generation loan in FY21 with a ticket size in the range of INR51,000–INR100,000 for customers with higher credit needs and healthy cash flows. While the ticket size is higher, longer loan tenure reduces the repayment burden on the customer, leading to better loan serviceability. The company offers three-year loan product only to customers which have clean credit history for at least three years with the company. Overall, the new set of regulations, in the agency's opinion, could significantly increase the potential pool of the borrowers and the capabilities of the institutions themselves.

Professional Management; Healthy Governance Practices: CA Grameen has a professional senior management team, comprising members who have been with the organisation for a long time, which is critical for the strategic continuity given that the sector is subject to frequent disruptions. Of the total seven directors on the company's board, more than half are independent and have vast experience. While the company has created a strong second-line of the management (five CXO positions and deputy CEO), it has identified two levels of succession for each of these positions.

Furthermore, CA Grameen has an established execution track record of weathering through crises such as demonetisation and COVID-19 with lower credit costs than most large MFIs. The company has always focussed on high-touch with weekly collection model, which is closer to borrower cashflows than other periodicities, according to Ind-Ra. About 42% of the customers are unique (i.e. who have no other loans from any other institutions) to CA Grameen, and around 53% customers have vintage of over three years with the company. The accounting policies are conservative compared to its peers in terms of recognition of stress and provisions. The company has been proactive in terms of disclosures in the COVID-19 period and also stress and performance of the portfolio throughout.

Rating Sensitivities

Positive: Material product diversification with demonstrated performance, appreciable reduction in the geographic concentration while maintaining strong capital buffers, a stable asset quality, and the liquidity buffers in line with the company's plans, on sustained basis, could lead to a positive rating action.

Negative: A material deterioration in the asset quality and/or the liquidity position, funding challenges and pressure on the profitability due to the increased credit cost leading to a loss on annual basis could lead to a negative rating action. The leverage exceeding 4x, on a sustained basis, could also result in a negative rating action. If in the agency opinion, the franchise of CA Grameen weakens, could also lead to a negative rating action.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on CA Grameen, either due to their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

Company Profile

CA Grameen commenced operations in May 1999 as a project under the T. Muniswamappa Trust, a registered non-governmental organisation in Bengaluru. Subsequently, in 2007, the microfinance operations were transferred into an NBFC. CA Grameen offers collateral-free micro-loans to women from low-income households under the joint liability group model. It also offers retail finance products to support the evolving needs of its existing customers. The average ticket size for microfinance loans is about INR32,100, while that for retail finance is INR47,200. The promoter group, CreditAccess India N.V. held a 73.9% stake in the company at end-March 2022.

FINANCIAL SUMMARY

Parameters	FY22*	FY21*
Tangible assets (INR billion)	171.1	147.9
Tangible equity (INR billion)	36.9	34.2
Net income (INR billion)	3.6	1.3
Return on average managed assets (%)	2.4	1.0
Equity/ assets (%)	21.6	23.1
Tier 1 capital (%)	25.9	30.5
Source: Company, *On a consolidated basis except for Tier 1 capital Note: Equity is excluding minority interest, deferred tax and intangibles as per Ind-Ra methodology		

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/ Rating Watch/Outlook					
	Rating Type	Rated Limits (million)	Rating	10 January 2022	11 January 2021	20 November 2020	28 May 2020	18 March 2020	Feb 2
Long-term bank loans	Long-term	INR20,000	IND AA-/Stable	IND A+/Stable	IND A+/Stable	IND A+/Stable	IND A+/RWN	IND A+/Stable	I A+/
NCDs	Long-term	INR1,000	IND AA-/Stable	IND A+/Stable	IND A+/Stable	IND A+/Stable	IND A+/RWN	IND A+/Stable	I A+/

Annexure

Instrument Type	ISIN	Date of Allotment	Coupon (%)	Maturity Date	Amount (million)	Rating/Outlook
NCDs	**INE741K07264**	**28 February 2020**	**10.5**	**28 February 2023**	**INR800**	**IND AA-/Stable**
				Limit unutilised	INR200	
				Total	INR1,000	

Bank wise Facilities Details

Click here to see the details

Complexity Level of Instruments

Instrument Type	Complexity Indicator
Bank loans (short- & long-term facilities)	Low
NCDs	Low

For details on the complexity levels of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Contact

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Senior Analyst
India Ratings and Research Pvt Ltd
Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East,Mumbai - 400051
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APPLICABLE CRITERIA

Evaluating Corporate Governance

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

DISCLAIMER

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.indiaratings.co.in/rating-definitions. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all

times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.

ANNEXURE B – DEBENTURE TRUSTEE CONSENT LETTER

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CTL/MUM/22-23/980

07th June, 2022

CreditAccess Grameen Limited
New No. 49 (Old No. 725), 46th Cross
8th Block, Jayanagar
Next to Rajalakshmi Kalyana Mantap
Bengaluru 560 070, Karnataka

Dear Ma'am/Sir

Sub: Proposed public offering of secured, rated, listed, redeemable, non-convertible debenture ("NCDs") of face value of Rs. 1,000 each aggregating up to ₹ 1,500 Crores in one or more tranches (hereinafter referred to as "Issue") of CreditAccess Grameen Limited ("Company" or "Issuer").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in (i) the draft shelf prospectus ("**Draft Shelf Prospectus**") to be filed with the BSE Limited ("**BSE**"), the National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**") for the purpose of receiving public comments and submitted with the Securities and Exchange Board of India ("**SEBI**") for record purposes; (ii) the shelf prospectus and relevant tranche prospectus proposed to be filed with the Registrar of Companies, Karnataka at Bangalore ("**RoC**") and submitted to SEBI and the Stock Exchanges in relation to the Issue ("**Shelf Prospectus and relevant Tranche Prospectus**"); (iii) the abridged prospectus; and (iv) all related advertisements and subsequent communications sent pursuant to the Issue. The NCDs are proposed to be listed on the Stock Exchanges. The following details with respect to us may be disclosed:

Name:	Catalyst Trusteeship Limited
Address:	GDA House', Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411038, Maharashtra
Tel:	022 4922 0555
Fax:	022 4922 0505
Email:	ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance email:	grievance@ctltrustee.com
Website:	www.catalysttrustee.com
Contact Person:	Mr. Umesh Salvi
Compliance Officer:	Ms. Rakhi Kulkarni
SEBI Registration No:	IND000000034
CIN:	U74999PN1997PLC110262

CATALYST
Believe in Yourself... Trust Us!
Catalyst Trusteeship Limited

Logo:

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI or any other regulatory authority from acting as an intermediary in capital market issues. We also confirm that we have not been debarred from functioning as Debenture Trustee by any regulatory authority, court or tribunal.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 and Section 31 of the Companies Act, 2013, as amended, the SEBI, the Stock Exchanges and any other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the proposed Issue.

We confirm that we will immediately inform the Company and the Lead Manager of any change, in writing, to the above information until the date when the proposed Public Issue of NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as accurate and updated information until the NCDs commence trading on the Stock Exchanges.

This letter may be relied upon by you, the Lead Manager and the legal advisor to the Issue in respect of the Issue.

Sincerely

For **Catalyst Trusteeship Limited**

NidhiTodi

Name: Nidhi Todi
Designation: Manager

CC:

A.K. Capital Services Limited
603, 6th floor, Windsor
Off CST Road, Kalina, Santacruz (East)
Mumbai 400 098 , Maharashtra

Khaitan & Co
One World Centre
10th & 13th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

Annexure A

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 २८२

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85,
S. No. 94 & 95, Bhusari Colony (Right), Kothrud,
Pune- 411038, Maharashtra

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is IND000000034

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to
This Certificate of Registration shall be valid from 13/04/2022 for permanent, unless suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : Mumbai

तारीख Date : April 18, 2022

DINESH JOSHI
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

Annexure B

07th June, 2022

CreditAccess Grameen Limited
New No. 49 (Old No. 725), 46th Cross
8th Block, Jayanagar
Next to Rajalakshmi Kalyana Mantap
Bengaluru 560 070, Karnataka

Dear Ma'am/Sir

Sub: Proposed public offering of secured, rated, listed, redeemable, non-convertible debenture ("NCDs") of face value of Rs. 1,000 each aggregating up to ₹ 1,500 Crores in one or more tranches (hereinafter referred to as "Issue") of CreditAccess Grameen Limited ("Company" or "Issuer").

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	Catalyst Trusteeship Limited
2.	Date of registration/ Renewal of registration	April 18, 2022
3.	Date of expiry of registration	Permanent Registration
4.	If applied for renewal, date of application	Not Applicable
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NIL
6.	Any enquiry/ investigation being conducted by SEBI	NIL
7.	Details of any penalty imposed by SEBI	NIL

For **Catalyst Trusteeship Limited**

NidhiTodi

Name: Nidhi Todi
Designation: Manager

ANNEXURE C – ILLUSTRATIVE CASH FLOW AND DAY COUNT CONVENTION

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Series I

24 Months – Monthly Coupon Payment	
Company	CreditAccess Grameen Limited
Face Value per NCD (in ₹)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	September 12, 2023
Tenor	24 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	9.10%
Redemption Date/Maturity Date (assumed)	September 12, 2025
Frequency of interest payment with specified dates	Monthly. First interest due on October 12, 2023 and subsequently on the 12th day of every month and the last interest payment will be made at the time of redemption of the NCDs
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	9.48%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Tuesday, 12 September, 2023	Tuesday, 12 September, 2023		-1000
Coupon/Interest Payment 1	Thursday, 12 October, 2023	Thursday, 12 October, 2023	30	7.48
Coupon/Interest Payment 2	Sunday, 12 November, 2023	Monday, 13 November, 2023	31	7.73
Coupon/Interest Payment 3	Tuesday, 12 December, 2023	Tuesday, 12 December, 2023	30	7.48
Coupon/Interest Payment 4	Friday, 12 January, 2024	Friday, 12 January, 2024	31	7.71
Coupon/Interest Payment 5	Monday, 12 February, 2024	Monday, 12 February, 2024	31	7.71
Coupon/Interest Payment 6	Tuesday, 12 March, 2024	Tuesday, 12 March, 2024	29	7.21
Coupon/Interest Payment 7	Friday, 12 April, 2024	Friday, 12 April, 2024	31	7.71
Coupon/Interest Payment 8	Sunday, 12 May, 2024	Monday, 13 May, 2024	30	7.46
Coupon/Interest Payment 9	Wednesday, 12 June, 2024	Wednesday, 12 June, 2024	31	7.71
Coupon/Interest Payment 10	Friday, 12 July, 2024	Friday, 12 July, 2024	30	7.46
Coupon/Interest Payment 11	Monday, 12 August, 2024	Monday, 12 August, 2024	31	7.71
Coupon/Interest Payment 12	Thursday, 12 September, 2024	Thursday, 12 September, 2024	31	7.71
Coupon/Interest Payment 13	Saturday, 12 October, 2024	Monday, 14 October, 2024	30	7.46
Coupon/Interest Payment 14	Tuesday, 12 November, 2024	Tuesday, 12 November, 2024	31	7.71

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Coupon/Interest Payment 15	Thursday, 12 December, 2024	Thursday, 12 December, 2024	30	7.46
Coupon/Interest Payment 16	Sunday, 12 January, 2025	Monday, 13 January, 2025	31	7.73
Coupon/Interest Payment 17	Wednesday, 12 February, 2025	Wednesday, 12 February, 2025	31	7.73
Coupon/Interest Payment 18	Wednesday, 12 March, 2025	Wednesday, 12 March, 2025	28	6.98
Coupon/Interest Payment 19	Saturday, 12 April, 2025	Monday, 14 April, 2025	31	7.73
Coupon/Interest Payment 20	Monday, 12 May, 2025	Monday, 12 May, 2025	30	7.48
Coupon/Interest Payment 21	Thursday, 12 June, 2025	Thursday, 12 June, 2025	31	7.73
Coupon/Interest Payment 22	Saturday, 12 July, 2025	Monday, 14 July, 2025	30	7.48
Coupon/Interest Payment 23	Tuesday, 12 August, 2025	Tuesday, 12 August, 2025	31	7.73
Coupon/Interest Payment 24	Friday, 12 September, 2025	Friday, 12 September, 2025	31	7.73
Principal	Friday, 12 September, 2025	Friday, 12 September, 2025		1000

Series II

24 Months – Cumulative Coupon Payment	
Company	CreditAccess Grameen Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	September 12, 2023
Tenor	24 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	N.A.
Redemption Date/Maturity Date (assumed)	September 12, 2025
Frequency of interest payment with specified dates	Cumulative
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	9.48%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Tuesday, 12 September, 2023	Tuesday, 12 September, 2023		-1000.00
Coupon/Interest Payment	Friday, 12 September, 2025	Friday, 12 September, 2025	731	198.82
Principal	Friday, 12 September, 2025	Friday, 12 September, 2025		1000

Series III

33 Months – Monthly Coupon Payment	
Company	CreditAccess Grameen Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	September 12, 2023
Tenor	33 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	9.25%

Redemption Date/Maturity Date (assumed)	June 12, 2026
Frequency of interest payment with specified dates	Monthly. First interest due on October 12, 2023 and subsequently on the 12th day of every month and the last interest payment will be made at the time of redemption of the NCDs
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	9.64%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Tuesday, 12 September, 2023	Tuesday, 12 September, 2023		-1000
Coupon/Interest Payment 1	Thursday, 12 October, 2023	Thursday, 12 October, 2023	30	7.60
Coupon/Interest Payment 2	Sunday, 12 November, 2023	Monday, 13 November, 2023	31	7.86
Coupon/Interest Payment 3	Tuesday, 12 December, 2023	Tuesday, 12 December, 2023	30	7.60
Coupon/Interest Payment 4	Friday, 12 January, 2024	Friday, 12 January, 2024	31	7.83
Coupon/Interest Payment 5	Monday, 12 February, 2024	Monday, 12 February, 2024	31	7.83
Coupon/Interest Payment 6	Tuesday, 12 March, 2024	Tuesday, 12 March, 2024	29	7.33
Coupon/Interest Payment 7	Friday, 12 April, 2024	Friday, 12 April, 2024	31	7.83
Coupon/Interest Payment 8	Sunday, 12 May, 2024	Monday, 13 May, 2024	30	7.58
Coupon/Interest Payment 9	Wednesday, 12 June, 2024	Wednesday, 12 June, 2024	31	7.83
Coupon/Interest Payment 10	Friday, 12 July, 2024	Friday, 12 July, 2024	30	7.58
Coupon/Interest Payment 11	Monday, 12 August, 2024	Monday, 12 August, 2024	31	7.83
Coupon/Interest Payment 12	Thursday, 12 September, 2024	Thursday, 12 September, 2024	31	7.83
Coupon/Interest Payment 13	Saturday, 12 October, 2024	Monday, 14 October, 2024	30	7.58
Coupon/Interest Payment 14	Tuesday, 12 November, 2024	Tuesday, 12 November, 2024	31	7.83
Coupon/Interest Payment 15	Thursday, 12 December, 2024	Thursday, 12 December, 2024	30	7.58
Coupon/Interest Payment 16	Sunday, 12 January, 2025	Monday, 13 January, 2025	31	7.86
Coupon/Interest Payment 17	Wednesday, 12 February, 2025	Wednesday, 12 February, 2025	31	7.86
Coupon/Interest Payment 18	Wednesday, 12 March, 2025	Wednesday, 12 March, 2025	28	7.10
Coupon/Interest Payment 19	Saturday, 12 April, 2025	Monday, 14 April, 2025	31	7.86
Coupon/Interest Payment 20	Monday, 12 May, 2025	Monday, 12 May, 2025	30	7.60
Coupon/Interest Payment 21	Thursday, 12 June, 2025	Thursday, 12 June, 2025	31	7.86
Coupon/Interest Payment 22	Saturday, 12 July, 2025	Monday, 14 July, 2025	30	7.60

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Coupon/Interest Payment 23	Tuesday, 12 August, 2025	Tuesday, 12 August, 2025	31	7.86
Coupon/Interest Payment 24	Friday, 12 September, 2025	Friday, 12 September, 2025	31	7.86
Coupon/Interest Payment 25	Sunday, 12 October, 2025	Monday, 13 October, 2025	30	7.60
Coupon/Interest Payment 26	Wednesday, 12 November, 2025	Wednesday, 12 November, 2025	31	7.86
Coupon/Interest Payment 27	Friday, 12 December, 2025	Friday, 12 December, 2025	30	7.60
Coupon/Interest Payment 28	Monday, 12 January, 2026	Monday, 12 January, 2026	31	7.86
Coupon/Interest Payment 29	Thursday, 12 February, 2026	Thursday, 12 February, 2026	31	7.86
Coupon/Interest Payment 30	Thursday, 12 March, 2026	Thursday, 12 March, 2026	28	7.10
Coupon/Interest Payment 31	Sunday, 12 April, 2026	Monday, 13 April, 2026	31	7.86
Coupon/Interest Payment 32	Tuesday, 12 May, 2026	Tuesday, 12 May, 2026	30	7.60
Coupon/Interest Payment 33	Friday, 12 June, 2026	Friday, 12 June, 2026	31	7.86
Principal	Friday, 12 June, 2026	Friday, 12 June, 2026		1000

Series IV

33 Months – Cumulative Coupon Payment	
Company	CreditAccess Grameen Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	September 12, 2023
Tenor	33 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	NA
Redemption Date/Maturity Date (assumed)	June 12, 2026
Frequency of interest payment with specified dates	Cumulative
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	9.64%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Tuesday, 12 September, 2023	Tuesday, 12 September, 2023		-1000.00
Coupon/Interest Payment	Friday, 12 June, 2026	Friday, 12 June, 2026	1004	288.12
Principal	Friday, 12 June, 2026	Friday, 12 June, 2026		1000

Series V

50 Months – Monthly Coupon Payment	
Company	CreditAccess Grameen Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	September 12, 2023

Tenor	50 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	9.40%
Redemption Date/Maturity Date (assumed)	November 12, 2027
Frequency of interest payment with specified dates	Monthly. First interest due on October 12, 2023 and subsequently on the 12th day of every month and the last interest payment will be made at the time of redemption of the NCDs
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	9.81%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Tuesday, 12 September, 2023	Tuesday, 12 September, 2023		-1000
Coupon/Interest Payment 1	Thursday, 12 October, 2023	Thursday, 12 October, 2023	30	7.73
Coupon/Interest Payment 2	Sunday, 12 November, 2023	Monday, 13 November, 2023	31	7.98
Coupon/Interest Payment 3	Tuesday, 12 December, 2023	Tuesday, 12 December, 2023	30	7.73
Coupon/Interest Payment 4	Friday, 12 January, 2024	Friday, 12 January, 2024	31	7.96
Coupon/Interest Payment 5	Monday, 12 February, 2024	Monday, 12 February, 2024	31	7.96
Coupon/Interest Payment 6	Tuesday, 12 March, 2024	Tuesday, 12 March, 2024	29	7.45
Coupon/Interest Payment 7	Friday, 12 April, 2024	Friday, 12 April, 2024	31	7.96
Coupon/Interest Payment 8	Sunday, 12 May, 2024	Monday, 13 May, 2024	30	7.70
Coupon/Interest Payment 9	Wednesday, 12 June, 2024	Wednesday, 12 June, 2024	31	7.96
Coupon/Interest Payment 10	Friday, 12 July, 2024	Friday, 12 July, 2024	30	7.70
Coupon/Interest Payment 11	Monday, 12 August, 2024	Monday, 12 August, 2024	31	7.96
Coupon/Interest Payment 12	Thursday, 12 September, 2024	Thursday, 12 September, 2024	31	7.96
Coupon/Interest Payment 13	Saturday, 12 October, 2024	Monday, 14 October, 2024	30	7.70
Coupon/Interest Payment 14	Tuesday, 12 November, 2024	Tuesday, 12 November, 2024	31	7.96
Coupon/Interest Payment 15	Thursday, 12 December, 2024	Thursday, 12 December, 2024	30	7.70
Coupon/Interest Payment 16	Sunday, 12 January, 2025	Monday, 13 January, 2025	31	7.98
Coupon/Interest Payment 17	Wednesday, 12 February, 2025	Wednesday, 12 February, 2025	31	7.98
Coupon/Interest Payment 18	Wednesday, 12 March, 2025	Wednesday, 12 March, 2025	28	7.21
Coupon/Interest Payment 19	Saturday, 12 April, 2025	Monday, 14 April, 2025	31	7.98
Coupon/Interest Payment 20	Monday, 12 May, 2025	Monday, 12 May, 2025	30	7.73

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Coupon/Interest Payment 21	Thursday, 12 June, 2025	Thursday, 12 June, 2025	31	7.98
Coupon/Interest Payment 22	Saturday, 12 July, 2025	Monday, 14 July, 2025	30	7.73
Coupon/Interest Payment 23	Tuesday, 12 August, 2025	Tuesday, 12 August, 2025	31	7.98
Coupon/Interest Payment 24	Friday, 12 September, 2025	Friday, 12 September, 2025	31	7.98
Coupon/Interest Payment 25	Sunday, 12 October, 2025	Monday, 13 October, 2025	30	7.73
Coupon/Interest Payment 26	Wednesday, 12 November, 2025	Wednesday, 12 November, 2025	31	7.98
Coupon/Interest Payment 27	Friday, 12 December, 2025	Friday, 12 December, 2025	30	7.73
Coupon/Interest Payment 28	Monday, 12 January, 2026	Monday, 12 January, 2026	31	7.98
Coupon/Interest Payment 29	Thursday, 12 February, 2026	Thursday, 12 February, 2026	31	7.98
Coupon/Interest Payment 30	Thursday, 12 March, 2026	Thursday, 12 March, 2026	28	7.21
Coupon/Interest Payment 31	Sunday, 12 April, 2026	Monday, 13 April, 2026	31	7.98
Coupon/Interest Payment 32	Tuesday, 12 May, 2026	Tuesday, 12 May, 2026	30	7.73
Coupon/Interest Payment 33	Friday, 12 June, 2026	Friday, 12 June, 2026	31	7.98
Coupon/Interest Payment 34	Sunday, 12 July, 2026	Monday, 13 July, 2026	30	7.73
Coupon/Interest Payment 35	Wednesday, 12 August, 2026	Wednesday, 12 August, 2026	31	7.98
Coupon/Interest Payment 36	Saturday, 12 September, 2026	Monday, 14 September, 2026	31	7.98
Coupon/Interest Payment 37	Monday, 12 October, 2026	Monday, 12 October, 2026	30	7.73
Coupon/Interest Payment 38	Thursday, 12 November, 2026	Thursday, 12 November, 2026	31	7.98
Coupon/Interest Payment 39	Saturday, 12 December, 2026	Monday, 14 December, 2026	30	7.73
Coupon/Interest Payment 40	Tuesday, 12 January, 2027	Tuesday, 12 January, 2027	31	7.98
Coupon/Interest Payment 41	Friday, 12 February, 2027	Friday, 12 February, 2027	31	7.98
Coupon/Interest Payment 42	Friday, 12 March, 2027	Friday, 12 March, 2027	28	7.21
Coupon/Interest Payment 43	Monday, 12 April, 2027	Monday, 12 April, 2027	31	7.98
Coupon/Interest Payment 44	Wednesday, 12 May, 2027	Wednesday, 12 May, 2027	30	7.73
Coupon/Interest Payment 45	Saturday, 12 June, 2027	Monday, 14 June, 2027	31	7.98
Coupon/Interest Payment 46	Monday, 12 July, 2027	Monday, 12 July, 2027	30	7.73
Coupon/Interest Payment 47	Thursday, 12 August, 2027	Thursday, 12 August, 2027	31	7.98
Coupon/Interest Payment 48	Sunday, 12 September, 2027	Monday, 13 September, 2027	31	7.98

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Coupon/Interest Payment 49	Tuesday, 12 October, 2027	Tuesday, 12 October, 2027	30	7.73
Coupon/Interest Payment 50	Friday, 12 November, 2027	Friday, 12 November, 2027	31	7.98
Principal	Friday, 12 November, 2027	Friday, 12 November, 2027		1,000.00

Series VI

50 Months – Cumulative Coupon Payment	
Company	CreditAccess Grameen Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	September 12, 2023
Tenor	50 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	NA
Redemption Date/Maturity Date (assumed)	November 12, 2027
Frequency of interest payment with specified dates	Cumulative
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	9.81%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Tuesday, 12 September, 2023	Tuesday, 12 September, 2023		-1000.00
Coupon/Interest Payment	Friday, 12 November, 2027	Friday, 12 November, 2027	1552	477.11
Principal	Friday, 12 November, 2027	Friday, 12 November, 2027		1000

Series VII

60 Months – Monthly Coupon Payment	
Company	CreditAccess Grameen Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	September 12, 2023
Tenor	60 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	9.70%
Redemption Date/Maturity Date (assumed)	September 12, 2028
Frequency of interest payment with specified dates	Monthly. First interest due on October 12, 2023 and subsequently on the 12th day of every month and the last interest payment will be made at the time of redemption of the NCDs
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	10.13%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Tuesday, 12 September, 2023	Tuesday, 12 September, 2023		-1000

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Coupon/Interest Payment 1	Thursday, 12 October, 2023	Thursday, 12 October, 2023	30	7.97
Coupon/Interest Payment 2	Sunday, 12 November, 2023	Monday, 13 November, 2023	31	8.24
Coupon/Interest Payment 3	Tuesday, 12 December, 2023	Tuesday, 12 December, 2023	30	7.97
Coupon/Interest Payment 4	Friday, 12 January, 2024	Friday, 12 January, 2024	31	8.22
Coupon/Interest Payment 5	Monday, 12 February, 2024	Monday, 12 February, 2024	31	8.22
Coupon/Interest Payment 6	Tuesday, 12 March, 2024	Tuesday, 12 March, 2024	29	7.69
Coupon/Interest Payment 7	Friday, 12 April, 2024	Friday, 12 April, 2024	31	8.22
Coupon/Interest Payment 8	Sunday, 12 May, 2024	Monday, 13 May, 2024	30	7.95
Coupon/Interest Payment 9	Wednesday, 12 June, 2024	Wednesday, 12 June, 2024	31	8.22
Coupon/Interest Payment 10	Friday, 12 July, 2024	Friday, 12 July, 2024	30	7.95
Coupon/Interest Payment 11	Monday, 12 August, 2024	Monday, 12 August, 2024	31	8.22
Coupon/Interest Payment 12	Thursday, 12 September, 2024	Thursday, 12 September, 2024	31	8.22
Coupon/Interest Payment 13	Saturday, 12 October, 2024	Monday, 14 October, 2024	30	7.95
Coupon/Interest Payment 14	Tuesday, 12 November, 2024	Tuesday, 12 November, 2024	31	8.22
Coupon/Interest Payment 15	Thursday, 12 December, 2024	Thursday, 12 December, 2024	30	7.95
Coupon/Interest Payment 16	Sunday, 12 January, 2025	Monday, 13 January, 2025	31	8.24
Coupon/Interest Payment 17	Wednesday, 12 February, 2025	Wednesday, 12 February, 2025	31	8.24
Coupon/Interest Payment 18	Wednesday, 12 March, 2025	Wednesday, 12 March, 2025	28	7.44
Coupon/Interest Payment 19	Saturday, 12 April, 2025	Monday, 14 April, 2025	31	8.24
Coupon/Interest Payment 20	Monday, 12 May, 2025	Monday, 12 May, 2025	30	7.97
Coupon/Interest Payment 21	Thursday, 12 June, 2025	Thursday, 12 June, 2025	31	8.24
Coupon/Interest Payment 22	Saturday, 12 July, 2025	Monday, 14 July, 2025	30	7.97
Coupon/Interest Payment 23	Tuesday, 12 August, 2025	Tuesday, 12 August, 2025	31	8.24
Coupon/Interest Payment 24	Friday, 12 September, 2025	Friday, 12 September, 2025	31	8.24
Coupon/Interest Payment 25	Sunday, 12 October, 2025	Monday, 13 October, 2025	30	7.97
Coupon/Interest Payment 26	Wednesday, 12 November, 2025	Wednesday, 12 November, 2025	31	8.24
Coupon/Interest Payment 27	Friday, 12 December, 2025	Friday, 12 December, 2025	30	7.97
Coupon/Interest Payment 28	Monday, 12 January, 2026	Monday, 12 January, 2026	31	8.24

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Coupon/Interest Payment 29	Thursday, 12 February, 2026	Thursday, 12 February, 2026	31	8.24
Coupon/Interest Payment 30	Thursday, 12 March, 2026	Thursday, 12 March, 2026	28	7.44
Coupon/Interest Payment 31	Sunday, 12 April, 2026	Monday, 13 April, 2026	31	8.24
Coupon/Interest Payment 32	Tuesday, 12 May, 2026	Tuesday, 12 May, 2026	30	7.97
Coupon/Interest Payment 33	Friday, 12 June, 2026	Friday, 12 June, 2026	31	8.24
Coupon/Interest Payment 34	Sunday, 12 July, 2026	Monday, 13 July, 2026	30	7.97
Coupon/Interest Payment 35	Wednesday, 12 August, 2026	Wednesday, 12 August, 2026	31	8.24
Coupon/Interest Payment 36	Saturday, 12 September, 2026	Monday, 14 September, 2026	31	8.24
Coupon/Interest Payment 37	Monday, 12 October, 2026	Monday, 12 October, 2026	30	7.97
Coupon/Interest Payment 38	Thursday, 12 November, 2026	Thursday, 12 November, 2026	31	8.24
Coupon/Interest Payment 39	Saturday, 12 December, 2026	Monday, 14 December, 2026	30	7.97
Coupon/Interest Payment 40	Tuesday, 12 January, 2027	Tuesday, 12 January, 2027	31	8.24
Coupon/Interest Payment 41	Friday, 12 February, 2027	Friday, 12 February, 2027	31	8.24
Coupon/Interest Payment 42	Friday, 12 March, 2027	Friday, 12 March, 2027	28	7.44
Coupon/Interest Payment 43	Monday, 12 April, 2027	Monday, 12 April, 2027	31	8.24
Coupon/Interest Payment 44	Wednesday, 12 May, 2027	Wednesday, 12 May, 2027	30	7.97
Coupon/Interest Payment 45	Saturday, 12 June, 2027	Monday, 14 June, 2027	31	8.24
Coupon/Interest Payment 46	Monday, 12 July, 2027	Monday, 12 July, 2027	30	7.97
Coupon/Interest Payment 47	Thursday, 12 August, 2027	Thursday, 12 August, 2027	31	8.24
Coupon/Interest Payment 48	Sunday, 12 September, 2027	Monday, 13 September, 2027	31	8.24
Coupon/Interest Payment 49	Tuesday, 12 October, 2027	Tuesday, 12 October, 2027	30	7.97
Coupon/Interest Payment 50	Friday, 12 November, 2027	Friday, 12 November, 2027	31	8.24
Coupon/Interest Payment 51	Sunday, 12 December, 2027	Monday, 13 December, 2027	30	7.97
Coupon/Interest Payment 52	Wednesday, 12 January, 2028	Wednesday, 12 January, 2028	31	8.22
Coupon/Interest Payment 53	Saturday, 12 February, 2028	Monday, 14 February, 2028	31	8.22
Coupon/Interest Payment 54	Sunday, 12 March, 2028	Monday, 13 March, 2028	29	7.69
Coupon/Interest Payment 55	Wednesday, 12 April, 2028	Wednesday, 12 April, 2028	31	8.22
Coupon/Interest Payment 56	Friday, 12 May, 2028	Friday, 12 May, 2028	30	7.95

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Coupon/Interest Payment 57	Monday, 12 June, 2028	Monday, 12 June, 2028	31	8.22
Coupon/Interest Payment 58	Wednesday, 12 July, 2028	Wednesday, 12 July, 2028	30	7.95
Coupon/Interest Payment 59	Saturday, 12 August, 2028	Monday, 14 August, 2028	31	8.22
Coupon/Interest Payment 60	Tuesday, 12 September, 2028	Tuesday, 12 September, 2028	31	8.22
Principal	Tuesday, 12 September, 2028	Tuesday, 12 September, 2028		1000

Series VIII

60 Months – Cumulative Coupon Payment	
Company	CreditAccess Grameen Limited
Face Value per NCD (in Rs.)	1,000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	September 12, 2023
Tenor	60 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	N.A.
Redemption Date/Maturity Date (assumed)	September 12, 2028
Frequency of interest payment with specified dates	Cumulative
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	10.13%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Tuesday, 12 September, 2023	Tuesday, 12 September, 2023		-1000.00
Coupon/Interest Payment	Tuesday, 12 September, 2028	Tuesday, 12 September, 2028	1827	621.19
Principal	Tuesday, 12 September, 2028	Tuesday, 12 September, 2028		1000

Assumptions:

1. The Deemed Date of Allotment is assumed to be Tuesday, September 12, 2023. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.

2. Interest payable during the Year 2024 and 2028 being leap years, have been calculated for 366 days.

3. Coupon Payments falling on working Saturdays will be made on same day.

4. In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer.

ANNEXURE D – FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To The Members of CREDITACCESS GRAMEEN LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **CREDITACCESS GRAMEEN LIMITED** (the "Parent") and its subsidiary, (the Parent and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the subsidiary referred to in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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Emphasis of Matter

We draw attention to note 43 of the consolidated financial statements regarding the approved Scheme of Amalgamation (the "Scheme") between Madura Micro Finance Limited (erstwhile subsidiary of the Parent) and the Parent.

- The Parent has given effect to the Scheme from the appointed date specified in the Scheme i.e. April 01, 2020. Pursuant to giving effect of the Scheme the Group has recorded additional Goodwill of ₹ 58.10 crore, as required by the Scheme. The additional goodwill has been accounted as mandated by para 14(vi) of the Scheme.

- Further, due to the aforesaid merger being effective from the Appointed Date, i.e., April 1, 2020, the consolidated financial statements of the Group for the previous years have been recast/restated.

Our report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	**How the key audit matter was addressed in our Audit**
(a) Impairment of Loans (Expected Credit Losses) (as described in note 6 of the consolidated Ind AS financial statements)	
The Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure as per the Board approved policy which is in line with Ind AS requirement and the relevant Reserve Bank of India's (RBI) regulations/circulars. The recognition and measurement of impairment of loans involve significant management judgement. The Group's impairment allowance is derived from estimates including the historical default and loss ratios using criteria in accordance with Ind AS 109 and considering applicable RBI's regulations/ circulars. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. Since the recognition and measurement of impairment of loans is significant to	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of expected credit losses. In particular: • We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Group;

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the overall audit due to stakeholder and regulatory focus, we have ascertained this as a key audit matter. The relevant disclosures are made in financial statements for ECL including those relating to judgements and estimates by the Management in determination of the ECL. Refer note 6(A), note 6(B) and note 41.2 to the consolidated Ind AS financial statements.	• We have performed the walkthrough and evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages; • We tested, on samples basis, the input and historical data used for determining the PD and LGD rates, model validation and agreed the data with the underlying books of accounts and records; • We tested the arithmetical calculation of the workings of the expected credit losses; • We evaluated that the Group's impairment allowance is derived in accordance with Ind AS 109 which also include considering the impact of RBI's regulations/circulars; • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis (the "Reports"), but does not include the consolidated financial statements and our auditors' report thereon. The Reports are expected to be made available to us after the date of this auditors' report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged

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with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The Board of Directors of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the Management of the company included in the Group are responsible for assessing the ability of the entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate their entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entity or business activities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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CHARTERED ACCOUNTANTS

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the subsidiary, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position as at the year end of the Group - Refer Note 34 to the consolidated financial statements;

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at the year end.

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iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company.

iv) (a) The respective Managements of the Parent and its subsidiary, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiary whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the consolidated financial statements, no funds have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditor of company included in the consolidated financial statements, as

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

PKF SRIDHAR & SANTHANAM LLP BANGALORE

provided to us by the Management of the Parent, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 23109839BGXPYH9807
Place: Bengaluru
Date: May 16, 2023

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.: 003990S/S200018
BANGALORE

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 23208545BGVAJC9132
Place: Bengaluru
Date: May 16, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **CreditAccess Grameen Limited** (hereinafter referred to as the "Parent") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

PKF SRIDHAR & SANTHANAM LLP BANGALORE

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 23109839BGXPYH9807
Place: Bengaluru
Date: May 16, 2023

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.: 003990S / S200018
BANGALORE

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 23208545BGVAJC9132
Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Consolidated balance sheet as at March 31, 2023

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	ASSETS				
(1)	**Financial assets**				
(a)	Cash and cash equivalents	4	1,341.41	1,580.55	2,360.09
(b)	Bank balance other than cash and cash equivalents	5	95.02	180.84	124.29
(c)	Loans	6	19,043.34	14,765.33	11,720.48
(d)	Investments	7	454.52	0.54	0.54
(e)	Derivative financial instruments	11	31.63	-	-
(f)	Other financial assets	8	149.59	118.48	132.31
(2)	**Non-financial assets**				
(a)	Current tax assets (net)	30	39.56	38.45	38.01
(b)	Deferred tax assets (net)	30	80.93	155.39	134.70
(c)	Property, plant and equipment	10 (A)	32.08	31.80	24.15
(d)	Right of use assets	10 (A)	64.75	74.76	67.50
(e)	Goodwill	43	375.68	375.68	375.68
(f)	Intangible assets	10 (A)	126.52	146.65	163.54
(g)	Intangible assets under development	10 (B)	3.94	3.07	0.62
(h)	Other non-financial assets	9	19.13	10.41	13.21
	Total assets		**21,858.10**	**17,481.95**	**15,155.12**
	LIABILITIES AND EQUITY				
(1)	**Financial liabilities**				
(a)	Derivative financial instrument	11	-	1.66	-
(b)	Payables				
	(I) Trade payables				
	(i) Total outstanding dues of micro enterprises and small enterprises	12	0.10	-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	12	43.95	34.78	22.05
	(II) Other payables				
	(i) Total outstanding dues of micro enterprises and small enterprises	12	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	259.65	224.24	179.64
(c)	Borrowings				
	- Debt securities	13	1,672.35	1,418.10	1,674.95
	- Borrowings (other than debt securities)	14	14,562.00	11,424.85	9,163.68
	- Subordinated liabilities	15	77.91	77.74	102.70
(d)	Other financial liabilities	16	78.88	87.44	82.94
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (Net)	30	0.56	1.46	0.99
(b)	Provisions	17	36.63	31.25	25.53
(c)	Other non-financial liabilities	18	19.10	13.52	11.37
(3)	**Equity**				
(a)	Equity share capital	19	158.91	155.87	155.58
(b)	Other equity	20	4,948.06	4,011.04	3,735.69
	Total liabilities and equity		**21,858.10**	**17,481.95**	**15,155.12**

The accompanying notes are an integral part of the Consolidated financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and
Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Consolidated statement of profit and loss for the year ended March 31, 2023

₹ in crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Revenue from operations**			
(a)	Interest income	21	3,327.13	2,567.33
(b)	Fees and commission income	22	19.51	13.22
(c)	Net gain on fair value changes	23	18.14	87.84
(d)	Bad debts recovery		58.09	74.15
(e)	Net gain on derecognition of financial instruments under amortised cost category		122.25	-
(f)	Others		-	0.28
	Total revenue from operations (I)		**3,545.12**	**2,742.82**
II	**Other income**	24	5.67	7.31
III	**Total income (I+II)**		**3,550.79**	**2,750.13**
IV	**Expenses**			
(a)	Finance costs	25	1,212.88	984.14
(b)	Fee and commission expense		1.80	2.96
(c)	Impairment on financial instruments	26	401.02	596.74
(d)	Employee benefit expenses	27	515.24	437.66
(e)	Depreciation and amortization expenses	28	49.84	47.23
(f)	Other expenses	29	264.59	200.61
	Total expenses (IV)		**2,445.37**	**2,269.34**
V	**Profit before tax (III-IV)**		**1,105.42**	**480.79**
VI	**Tax expense**	30		
	(1) Current tax		238.23	120.28
	(2) Deferred tax		41.13	7.44
	Total tax expense (VI)		**279.36**	**127.72**
VII	**Profit for the year (V-VI)**		**826.06**	**353.07**
VIII	**Other comprehensive income/ (loss)**			
(a)	(1) Items that will not be reclassified to profit or loss		**(0.60)**	0.71
	(2) Income tax relating to items that will not be reclassified to profit or loss		0.15	(0.18)
	Subtotal (a)		**(0.45)**	**0.53**
(b)	(1) Items that will be reclassified to profit or loss		11.84	(114.13)
	(2) Income tax relating to items that will be reclassified to profit or loss		(2.98)	28.24
	Subtotal (b)		**8.86**	**(85.89)**
	Other comprehensive income / (loss) (VIII = a+b)		**8.41**	**(85.36)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income/(loss) for the year)**		**834.47**	**267.71**
X	**Earnings per equity share (EPS) (face value of ₹10.00 each)**	45		
	Basic (in ₹)		52.04	22.29
	Diluted (in ₹)		51.82	22.20

The accompanying notes are an integral part of the Consolidated financial statements..

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

For and on behalf of Board of Directors of CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Consolidated statement of changes in equity for the year ended March 31, 2023

a) Equity share capital
(iii) As at March 31, 2023, March 31, 2022
Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crore
Balance at the end of the Current reporting period (as at March 31, 2021)	**15,55,82,040**	**155.58**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in equity share capital during the current year	2,84,306	0.29
Balance at the end of the Current reporting period (as at March 31, 2022)	**15,58,66,346**	**155.87**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the Current reporting period (as at April 1, 2022)	**15,58,66,346**	**156**
Changes in equity share capital during the current year	30,40,097	3.04
Balance at the end of the Current reporting period (as at March 31, 2023)	**15,89,06,443**	**158.91**

b) Other equity

₹ in crore

Particulars	Reserve & Surplus					Shares to be issued (refer note 43)	Debt instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedge	Total Other Equity (A)
	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934) (Refer Note 20.3)	Capital reserve (Refer Note 20.2)	Securities premium	Share options outstanding account	Retained earnings				
As at March 31, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**917.56**	**206.38**	**(3.94)**	**-**	**3,735.69**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**917.56**	**206.38**	**(3.94)**	**-**	**3,735.69**
Profit for the year	-	-	-	-	353.07	-	-	-	353.07
Other comprehensive income/(loss) (net of tax)	-	-	-	-	0.53	-	(86.28)	0.39	(85.36)
Transferred From Share Option Outstanding on ESOPs Exercised	-	-	2.25	(2.25)	-	-	-	-	-
Securities Premium on ESOPs Exercised	-	-	2.74	-	-	-	-	-	2.74
Transferred to statutory reserves	76.43	-	-	-	(76.43)	-	-	-	-
Employee stock option compensation for the year	-	-	-	5.45	-	-	-	-	5.45
Equity adjustment on account of subsequent acquisition of shares	-	-	-	-	-	(0.55)	-	-	(0.55)
As at March 31, 2022	**370.52**	**49.95**	**2,268.12**	**11.72**	**1,194.73**	**205.83**	**(90.22)**	**0.39**	**4,011.04**
Changes in accounting policy or prior period errors	-	-	-	-	-		-	-	-
Restated balance As at April 1, 2022	**370.52**	**49.95**	**2,268.12**	**11.72**	**1,194.73**	**205.83**	**(90.22)**	**0.39**	**4,011.04**
Profit for the year	-	-	-	-	826.06	-	-	-	826.06
Other comprehensive income/(loss) (net of tax)	-	-	-	-	(0.45)	-	90.22	8.86	98.63
Transferred From Share Option Outstanding on ESOPs Exercised	-	-	2.96	(2.96)	-	-	-	-	-
Securities Premium on ESOPs Exercised	-	-	4.36	-	-	-	-	-	4.36
Transferred to statutory reserves	165.21	-	-	-	(165.21)	-	-	-	-
Allotment of share as per the scheme of merger	-	-	203.15	-	-	(205.83)	-	-	(2.68)
Employee stock option compensation for the year	-	-	-	10.65	-	-	-	-	10.65
As at March 31, 2023	**535.73**	**49.95**	**2,478.59**	**19.41**	**1,855.13**	**-**	**-**	**9.25**	**4,948.06**

The accompanying notes are an integral part of the Consolidated financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

For and on behalf of Board of Directors of CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Consolidated statement of cash flows for the year ended March 31, 2023

₹ in crore

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities:		
Profit before tax	1,105.42	480.79
Adjustments for:		
Interest income on loans	(3,277.40)	(2,533.54)
Interest on deposits with banks and financial institutions	(31.04)	(33.73)
Income from government securities	(18.62)	-
Depreciation and amortisation expenses	49.84	47.23
Finance costs	1,212.88	984.14
Impairment on financial instruments	401.02	596.74
Net gain on financial instruments at fair value through profit or loss	(21.33)	(17.86)
Gain on derecognition of loans designated at FVTOCI	3.18	(69.98)
Gain on derecognition of loans designated at amortised cost	(122.25)	-
Dividend Income	-	(0.28)
Share based payments to employees	10.65	5.45
Provision for other assets	0.31	1.59
	(1,792.76)	**(1,020.24)**
Operational cash flows from interest:		
Interest income received on loans	3,392.58	2,551.96
Finance costs paid	(1,213.20)	(976.02)
Working capital changes:		
(Increase) in loans	(4,673.63)	(3,775.40)
Decrease in other financial assets	87.65	81.78
(Increase) / Decrease in other non-financial assets	(8.72)	3.00
Increase in trade and other payables	44.68	57.31
(Decrease) in other financial liabilities	(2.07)	(4.90)
Increase in provisions	4.78	6.43
Increase in other non-financial liabilities	5.58	2.14
	(4,541.73)	**(3,629.64)**
Income tax paid (net of refunds)	(240.09)	(120.32)
Net cash flows (used in) operating activities (A)	**(3,289.78)**	**(2,713.47)**
Cash flow from investing activities:		
Purchase of property, plant and equipment	(13.72)	(20.16)
Proceeds from sale of property, plant and equipment	0.05	0.13
Purchase of Intangible assets and expenditure on Intangible assets under development	(3.60)	(7.70)
Interest on deposits with banks and financial institutions	36.28	33.73
Decrease / (increase) in bank balance other than cash and cash equivalents	80.59	(56.55)
Purchase of investments	(7,154.34)	(7,348.70)
Sale of investments	7,175.66	7,366.56
Investment in government securities (net)	(447.34)	-
Income from government securities	11.99	-
Dividend Income	-	0.28
Investment in equity shares	-	(0.55)
Net cash flows (used in)/ from investing activities (B)	**(314.43)**	**(32.96)**
Cash flow from financing activities:		
Debt securities issued/(repaid) (net)	256.34	(257.19)
Borrowings other than debt securities issued (net)	3,123.33	2,264.41
Subordinated liabilities repaid (net)	(0.44)	(25.00)
Payment of lease liability (net)	(18.89)	(18.36)
Proceeds from the employee stock options	4.73	3.03
Net cash flows from financing activities (C)	**3,365.07**	**1,966.89**
Net (decrease)/ increase in cash and cash equivalents	**(239.14)**	**(779.54)**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	1,580.55	2,360.09
Cash and cash equivalents as at the end of the year (Refer Note 4)	**1,341.41**	**1,580.55**

The accompanying notes are an integral part of the consolidated financial statement.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and
Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

1. Corporate information

CreditAccess Grameen Limited (CIN- L51216KA1991PLC053425) ('the Holding Company) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company (‘NBFC-ND’) with the Reserve Bank of India (‘RBI’) and has got classified as a Non-Banking Financial Company – Micro Finance Institution (‘NBFC-MFI’) with effect from September 5, 2013. The Company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE').The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B- 02.00252). The Holding Company is located at New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India.

The Holding Company and its subsidiaries (the 'Group') is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups (‘JLG’) or Self Help Groups ('SHG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members. The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 16, 2023.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated. These Consolidated financial statements have been prepared on a going concern basis.

2.1. Presentation of Consolidated financial statements

The Group presents its balance sheet in order of liquidity.

The Group generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

Details of Companies Consolidated in these consolidated financial statements:

Name of The Company	Type	Country of Incorporation	Holding as at March 31, 2023	Holding as at March 31, 2022
CreditAccess Grameen Limited	Holding Company	India	Holding Company	Holding Company
CreditAcess India Foundation	Subsidiary Company	India	100%	100%

2.2. Critical accounting estimates and judgements

The preparation of the Group’s financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management’s estimates are based. Accounting estimates and judgements are used in various line items in the consolidated financial statements for e.g.:

- Business model assessment (Refer Note no. 3.14)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no. 3.15)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)
- Hedge accounting (Refer Note no. 3.17)

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiary, being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

1. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
2. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.
3. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
4. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
5. The carrying amount of the parent’s investment in subsidiary is offset (eliminated) against the parent’s portion of equity in subsidiary.
6. Non-Controlling Interest’s share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

3.1.1 Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

3.1.2 Interest on financial assets at fair value through profit and loss (FVTPL) is recognised in accordance with the contractual terms of the instrument.

3.1.3 The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

3.1.4 The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.1.5 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.6 Dividend Income

Dividend income is recognised when the right to receive payment is established.

3.2 Finance cost

Borrowing cost on financial liabilities including towards securitisation transactions not derecognised by the Group are recognised by applying the EIR.

3.3 Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to cash with an insignificant risk of changes in value.

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6 Depreciation and amortization

3.6.1 Depreciation

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

Property, plant and equipment costing less then ₹ 5000 per unit are fully depreciated in the year of purchase.

3.6.2 Amortisation of intangible assets and Impairment of Goodwill

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. Customer relationship is amortised over a period of 10 years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.7 Impairment of non–financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3 Other employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11 Taxes
3.11.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 38.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the "Share options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1 Financial Assets

3.14.1.1. Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2. Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3. Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:
(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4. Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5. Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

3.14.2 Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as such on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset
Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Group has transferred substantially all the risks and rewards of the asset
or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Compnay's policy for grouping financial assets measured on a collective basis is explained in Note 41.

Accordingly, the Holding Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 41). The Group records an allowance for the LTECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Group calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Hedge accounting

The Group enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Group does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

Here, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as ‘hedging reserve’.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item.

The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.18 Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Group.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
• Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
• Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 - Unobservable inputs for the asset or liability.

3.19 Segment information

The Group operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Group operates in a single geographical segment i.e. domestic.

3.20 Business combination

3.20.1 Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Group accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial Information, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The identity of the reserves are preserved and appear in the financial statements of the transferee in same form in which they appeared in the financial statements of the transferor.

3.20.2 Other business combinations

The Group uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder’s fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.21 Foreign currency

3.21.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.21.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.21.3 Exchange differences arising on the settlement of monetary items or on the restatement of Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.22 Leases (where the Group is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

The Group as a lessee

The Group’s lease asset classes primarily consist of leases for office premises and servers. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
(i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.
At the date of commencement of the lease, the Group recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

3.23 Investments

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Group irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI). All other investments are classified and measured as FVTPL only.

3.24 Recent Accounting pronouncements

3.24.1 Key New and amended standards adopted by the Group

(a) Ind AS 16, Property Plant and Equipment; Proceeds before intended use of property, plant and equipment
The amendment clarifies that an entity shall not deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

(b) Ind AS 37, Provisions, contingent Liabilities and contingent Assets; Onerous contracts - Cost of fulfilling a contract
The amendment explains that the cost of fulfilling a contract comprises; the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(c) Ind AS 109, Financial instruments; Fees Included in the 10% test for derecognition of financial Liabilities.
The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, Including fees paid or received by either the entity or the lender on the other's behalf.

3.24.2 Key Amendments applicable from next Financial year

Disclosure of Accounting Policies-Amendments to Ind AS 1, Presentation of financial statements
The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is material accounfing policy information and explain how to identity when accounting policy information is material.They further clarify that immaterial accounting policy information does not need to be disclosed. if it is disclosed, it should not obscure material accounting information.

Definition of Accounting Estimates-Amendments to Ind AS 8. Accounting policies, changes in accounting estimates and errors
The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the curent period.

Deferred tax related to assets and liabilities transaction Amendments to Ind AS 12. income taxes
The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and liabilities at the beginning of the eartiest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, and decommissioning. restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings or another component of equity,as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable.

The Group does not expect any of these amendments to have any material effect on the financial statements.

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

4 Cash and cash equivalents ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Cash in hand	12.43	7.58	8.24
Balances with Banks in current accounts	211.02	100.40	217.03
Bank deposit with maturity of less than 3 months	1,117.96	1,472.57	2,134.82
Total	**1,341.41**	**1,580.55**	**2,360.09**

5 Bank balance other than cash and cash equivalents ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Fixed deposit with bank not considered as cash and cash equivalents*	95.02	180.84	124.29
Total	**95.02**	**180.84**	**124.29**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Loans $ ₹ in crore

Particulars	March 31,2023			March 31,2022			March 31, 2021		
	Amortised cost	At fair value through OCI #	Total	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:									
Group lending **	19,224.27	-	19,224.27	3,547.06	11,555.32	15,102.38	2,650.95	9,275.37	11,926.32
Individual loans	166.92	-	166.92	196.81	-	196.81	416.79	-	416.79
Total - Gross	**19,391.19**	**-**	**19,391.19**	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	347.85	-	347.85	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**19,043.34**	**-**	**19,043.34**	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(B) (a) Secured by tangible assets	60.21	-	60.21	9.24	-	9.24	6.34	-	6.34
(b) Unsecured	19,330.98	-	19,330.98	3,734.63	11,555.32	15,289.95	3,061.40	9,275.37	12,336.77
Total - Gross	**19,391.19**	**-**	**19,391.19**	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	347.85	-	347.85	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**19,043.34**	**-**	**19,043.34**	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(C) (I) Loans in India									
(a) Public sector	-	-	-	-	-	-	-	-	-
(b) Others	19,391.19	-	19,391.19	3,743.87	11,555.32	15,299.19	3,067.74	9,275.37	12,343.11
Total - Gross	**19,391.19**	**-**	**19,391.19**	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	347.85	-	347.85	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**19,043.34**	**-**	**19,043.34**	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(D) (II) Loans outside India	**-**	**-**	-	**-**	**-**	-	**-**	**-**	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total - Net*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

*Includes fair value of loans designated at FVOCI.

** Group Lending includes both Joint Liability Loans and Self Help Group Loans including securitized assets.

During the year, the Group had reassessed its business model and concluded that Income Generating Loans (IGL) are primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding. Accordingly, as required under Ind AS 109, IGL loans portfolio which were earlier classified as and valued at "Fair Value through other Comprehensive Income" have now be classified as and valued at "Amortised cost" with effect from July 01, 2022. Consequently, the Group has reversed accumulated fair value loss on such IGL loans and related deferred tax in other equity on July 01, 2022.

$ The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013),either severally or jointly with any other person that are - (a) repayable on demand or (b) without specifying any terms or period of repayment.

6(A) Group lending loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances (including loans measured at FVTOCI) in relation to Group lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2022	**14,402.74**	**180.67**	**518.97**	**15,102.38**
(a) New assets originated or purchased	18,281.23	-	-	18,281.23
(b) Asset derecognised or repaid (Excluding write offs) #	(13,443.55)	(75.29)	(91.55)	(13,610.39)
Assets written off during the year	-	-	(548.95)	(548.95)
Movement between stages				
Transfer from Stage 1	(371.14)	179.19	191.95	-
Transfer from Stage 2	50.95	(243.85)	192.90	-
Transfer from Stage 3	31.11	2.16	(33.27)	-
Gross carrying value of assets as at March 31, 2023	**18,951.34**	**42.88**	**230.05**	**19,224.27**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2022	**113.60**	**53.39**	**324.55**	**491.54**
(a) New assets originated or purchased	148.42	-	-	148.42
(b) Asset derecognised or repaid (Excluding write offs) #	(107.72)	(29.20)	(61.46)	(198.38)
Assets written off during the year			(548.95)	(548.95)
Movement between stages				
Transfer from Stage 1	(3.20)	1.47	1.73	-
Transfer from Stage 2	26.82	(122.69)	95.86	-
Transfer from Stage 3	22.51	1.55	(24.06)	-
Impact on ECL on account of movement between stages	(46.39)	116.17	375.95	445.73
ECL allowance as at March 31, 2023	**154.04**	**20.69**	**163.62**	**338.36**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2021	**11,200.06**	**210.24**	**516.02**	**11,926.32**
(a) New assets originated or purchased	15,399.29	-	-	15,399.29
(b) Asset derecognised or repaid (Excluding write offs) #	(10,573.38)	(574.38)	(424.64)	(11,572.40)
Assets written off during the year	-	-	(650.83)	(650.83)
Movement between stages				
Transfer from Stage 1	(2,153.68)	1,474.02	679.66	-
Transfer from Stage 2	468.10	(1,003.41)	535.31	-
Transfer from Stage 3	62.35	74.20	(136.55)	-
Gross carrying value of assets as at March 31, 2022	**14,402.74**	**180.67**	**518.97**	**15,102.38**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	**182.03**	**41.92**	**347.54**	**571.49**
(a) New assets originated or purchased	110.80	-	-	110.80
(b) Asset derecognised or repaid (Excluding write offs) #	(127.63)	(139.93)	(287.71)	(555.27)
Assets written off during the year	-	-	(650.83)	(650.83)
Movement between stages				
Transfer from Stage 1	(15.28)	10.15	5.13	-
Transfer from Stage 2	200.07	(411.00)	210.93	-
Transfer from Stage 3	46.76	55.66	(102.42)	-
Impact on ECL on account of movement between stages	(283.15)	496.59	801.91	1,015.35
ECL allowance as at March 31, 2022 *	**113.60**	**53.39**	**324.55**	**491.54**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 309.26 crore.

6(B) Individual lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2022	**151.99**	**5.14**	**39.68**	**196.81**
(a) New assets originated or purchased	143.06	-	-	143.06
(b) Asset derecognised or repaid (Excluding write offs) #	(126.90)	(1.79)	(6.24)	(134.93)
Assets written off during the year	-	-	(38.02)	(38.02)
Movement between stages				
Transfer from Stage 1	(8.72)	6.27	2.45	-
Transfer from Stage 2	0.20	(9.19)	8.99	-
Transfer from Stage 3	0.31	0.21	(0.52)	-
Gross carrying value of assets as at March 31, 2023	**159.94**	**0.64**	**6.34**	**166.92**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2022	**3.04**	**2.53**	**36.75**	**42.32**
(a) New assets originated or purchased	2.91	-	-	2.91
(b) Asset derecognised or repaid (Excluding write offs) #	(2.56)	(0.89)	(5.80)	(9.25)
Assets written off during the year	-	-	(38.02)	(38.02)
Movement between stages				
Transfer from Stage 1	(0.17)	0.13	0.05	-
Transfer from Stage 2	0.10	(4.60)	4.50	-
Transfer from Stage 3	0.29	0.20	(0.49)	-
Impact on ECL on account of movement between stages	(0.36)	2.96	8.94	11.54
ECL allowance as at March 31, 2023	**3.24**	**0.32**	**5.93**	**9.49**

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2021	371.50	12.63	32.67	416.79
(a) New assets originated or purchased	72.81	-	-	72.81
(b) Asset derecognised or repaid (Excluding write offs) #	(228.63)	(19.22)	(10.24)	(258.09)
Assets written off during the year	-	-	(34.71)	(34.71)
Movement between stages				
Transfer from Stage 1	(84.58)	77.88	6.70	-
Transfer from Stage 2	20.34	(75.98)	55.64	-
Transfer from Stage 3	0.55	9.83	(10.38)	-
Gross carrying value of assets as at March 31, 2022	**151.99**	**5.14**	**39.68**	**196.81**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	**12.41**	**6.17**	**32.57**	**51.15**
(a) New assets originated or purchased	1.47	-	-	1.47
(b) Asset derecognised or repaid (Excluding write offs) #	(6.14)	(9.34)	(9.59)	(25.07)
Assets written off during the year			(34.70)	(34.70)
Movement between stages				
Transfer from Stage 1	(1.67)	1.53	0.14	-
Transfer from Stage 2	10.16	(37.42)	27.26	-
Transfer from Stage 3	0.56	9.83	(10.39)	-
Impact on ECL on account of movement between stages	(13.75)	31.76	31.46	49.47
ECL allowance as at March 31, 2022	**3.04**	**2.53**	**36.75**	**42.32**

Represents balancing figure.

7 Investments* ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Investments in fully paid equity shares			
Unquoted			
At fair value through profit and loss			
(a) Alpha Microfinance Consultants Private Ltd	0.54	0.54	0.54
(b) Investment in Government Securities	453.98	-	-
Total	**454.52**	**0.54**	**0.54**

* All Investment in Note 7 above are within India.

Madura Micro Education Private Limited (One of the subsidiary company) does not have any operations or business activity post March 31, 2021. The subsidiary company has been struck-off by the Office of the Registrar of Companies, Tamil Nadu vide its Public Notice No.ROC/Chn/S.248 (2)/ 303/2022/5 dated October 31, 2022, as per the application filed by MMEPL.

8 Other financial assets ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Receivable from assignment of portfolio (unsecured, considered good)	104.44	78.67	105.47
Security deposits (unsecured, considered good)*	14.13	12.95	11.73
Loans and advances to employees (unsecured, considered good)	14.42	15.20	8.02
Other financial assets			
Unsecured, considered good	16.60	11.66	7.09
Unsecured, considered doubtful	0.50	1.53	0.39
Less: Provision for doubtful advances	(0.50)	(1.53)	(0.39)
Total	**149.59**	**118.48**	**132.31**

* Includes an amount of ₹ 0.06 crore (Previous year ₹ 0.06 crore) paid under protest towards PF Notice (Refer Note.34)

9 Other non-financial assets ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Prepaid expenses	13.14	7.41	5.46
Advances to employees	0.03	0.23	0.15
Capital Advance	-	-	1.17
Other advances			
Unsecured, considered good	5.96	2.77	6.43
Unsecured, considered doubtful	2.28	1.21	0.98
Less: Provision for doubtful advances	(2.28)	(1.21)	(0.98)
Total	**19.13**	**10.41**	**13.21**

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

₹ in crore

10 (A)

Particulars	Property, plant and equipment								Total	Right of use assets		Total	Intangible assets		
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Freehold land	Buildings		Buildings	Computer		Computer software	Customer relationship	Total
Cost:															
At March 31, 2021	**17.44**	**0.91**	**10.57**	**9.24**	**17.99**	**0.63**	**0.17**	**0.21**	**57.16**	**24.43**	**62.73**	**87.16**	**33.72**	**162.82**	**196.54**
Additions	4.48	0.19	3.19	0.68	5.75	0.25	5.64	-	**20.18**	0.88	19.06	**19.94**	5.25	-	**5.25**
Disposals	(0.66)	(0.02)	(0.06)	-	(0.54)	-	-	-	**(1.28)**	(1.06)	-	**(1.06)**	-	-	**-**
At March 31, 2022	**21.26**	**1.08**	**13.70**	**9.92**	**23.20**	**0.88**	**5.81**	**0.21**	**76.06**	**24.25**	**81.79**	**106.04**	**38.97**	**162.82**	**201.79**
Additions	5.25	0.20	2.65	0.67	4.71	0.29	-	-	**13.77**	4.97	-	**4.97**	2.74	-	**2.74**
Disposals	(0.02)	(0.02)	(0.05)	-	(0.96)	(0.20)	-	-	**(1.25)**	-	(1.61)	**(1.61)**	(0.66)	-	**(0.66)**
At March 31, 2023	**26.49**	**1.26**	**16.30**	**10.59**	**26.95**	**0.97**	**5.81**	**0.21**	**88.58**	**29.22**	**80.18**	**109.40**	**41.05**	**162.82**	**203.87**
Depreciation/Amortisation:															
At March 31, 2021	**11.65**	**0.71**	**6.11**	**5.26**	**8.80**	**0.47**	**-**	**0.01**	**33.00**	**8.17**	**11.49**	**19.66**	**16.05**	**16.95**	**33.00**
Depreciation/Amortisation charge for the year	4.40	0.20	2.02	1.42	4.28	0.08	-	0.01	**12.41**	4.78	7.90	**12.68**	5.77	16.37	**22.14**
Disposals	(0.65)	(0.01)	(0.05)	-	(0.45)	-	-	-	**(1.16)**	(1.06)	-	**(1.06)**	-	-	**-**
At March 31, 2022	**15.40**	**0.90**	**8.08**	**6.68**	**12.63**	**0.55**	**-**	**0.02**	**44.25**	**11.89**	**19.39**	**31.28**	**21.82**	**33.32**	**55.14**
Depreciation/Amortisation charge for the year	3.99	0.24	1.56	1.34	6.14	0.10	-	0.01	**13.38**	4.35	9.24	**13.59**	6.45	16.42	**22.87**
Disposals	(0.02)	(0.01)	(0.05)	-	(0.85)	(0.20)	-	-	**(1.13)**	-	(0.22)	**(0.22)**	(0.66)	-	**(0.66)**
At March 31, 2023	**19.37**	**1.13**	**9.59**	**8.02**	**17.92**	**0.45**	**-**	**0.03**	**56.50**	**16.24**	**28.41**	**44.65**	**27.61**	**49.74**	**77.35**
Net book value:															
At March 31, 2021	**5.79**	**0.20**	**4.47**	**3.98**	**9.19**	**0.16**	**0.17**	**0.20**	**24.16**	**16.26**	**51.24**	**67.50**	**17.67**	**145.87**	**163.54**
At March 31, 2022	**5.86**	**0.18**	**5.62**	**3.24**	**10.57**	**0.33**	**5.81**	**0.19**	**31.80**	**12.36**	**62.41**	**74.76**	**17.15**	**129.50**	**146.65**
At March 31, 2023	**7.12**	**0.13**	**6.71**	**2.57**	**9.03**	**0.52**	**5.81**	**0.18**	**32.08**	**12.98**	**51.77**	**64.75**	**13.44**	**113.08**	**126.52**

Note:

(i) There were no change due to revaluation and changes due to impairment losses in current and previous years. The Holding Company acquired the assets on account of Merger w.e.f April 1 ,2020.

(ii) There are no immovable properties whose title deed are not held in name of the Group or are jointly held with others.

10 (B) (a) Intangible assets under development

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Opening	**3.07**	**0.62**
Additions during the year	2.86	3.84
Less: Capitalised during the year	(1.99)	(1.39)
Closing	**3.94**	**3.07**

(b) (i) Intangible assets under development aging schedule as at 31 March 2023*

Particulars	Amount in Intangible assets under development for			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**1.89**	**2.05**	**-**	**-**

*There was no Project which was temporarily suspended as at March 31, 2023.

(b) (ii) Intangible assets under development aging schedule as at 31 March 2022*

Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**2.64**	**0.43**	**-**	**-**

*There was no Project which was temporarily suspended as at March 31, 2022.

(b) (iii) Intangible assets under development aging schedule as at 31 March 2021*

Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**0.62**	**-**	**-**	**-**

*There was no Project which was temporarily suspended as at March 31, 2021.

11 Derivative financial instruments

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Part I			
(i) Cross currency interest rate swap derivatives: #			
Fair value liability			
Cross currency interest rate swaps	-	1.66	-
Total	**-**	**1.66**	**-**
Part II			
(i) Cross currency interest rate swap derivatives: #			
Fair value Assets			
Cross currency interest rate swaps	31.63	-	-
Total	**31.63**	**-**	**-**
Part III			
Included in above (Part I and Part II) are derivatives held for hedging and risk management purposes as follows:			
(i) Cash flow hedging:			
Fair value liability			
Cross currency interest rate swaps	-	(1.66)	-
Fair value Assets			
Cross currency interest rate swaps	31.63	-	-
Total	**31.63**	**(1.66)**	**-**

Notional amounts of Cross currency interest rate swaps of ₹ 1,575.32 crore (March 31, 2022 : ₹ 111.75 crore).

12 Payables

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	0.10	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	43.95	34.78	22.05
Total	**44.05**	**34.78**	**22.05**
Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	259.65	224.24	179.64
Total	**259.65**	**224.24**	**179.64**
Total Payable	**303.70**	**259.02**	**201.69**

Note:

(A) Dues to micro enterprises and small enterprises:

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	0.10	-	-
(ii) the amount of interest paid by the Group in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	0.00	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	0.00	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-	-

(B) Trade Payables aging schedule*

(i) As at March 31, 2023

₹ in crore

Particulars	Outstanding for following periods from due date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	**0.10**	**-**	**-**	**-**	**0.10**
(ii) Others	**43.95**	**-**	**-**	**-**	**43.95**

*There were no Disputed payable as at March 31, 2023.

(ii) As at March 31, 2022

₹ in crore

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	**-**	**-**	**-**	**-**	**-**
(ii) Others	**34.74**	**0.04**	**-**	**-**	**34.78**

*There were no Disputed payable as at March 31, 2022.

(iii) As at March 31, 2021

₹ in crore

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	**-**	**-**	**-**	**-**	**-**
(ii) Others	**22.05**	**-**	**-**	**-**	**22.05**

*There were no Disputed payable as at March 31, 2021.

13 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Debentures (secured)	1,672.35	1,418.10	1,659.94
Debentures (unsecured)	-	-	15.01
Total	**1,672.35**	**1,418.10**	**1,674.95**
Debt securities in India	1,672.35	1,418.10	1,674.95
Debt securities outside India		-	-
Total	**1,672.35**	**1,418.10**	**1,674.95**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Group.

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures			Face value	Amount in ₹ crore		
	March 31, 2023	March 31, 2022	March 31, 2021		March 31, 2023	March 31, 2022	March 31, 2021
11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	195	10,00,000	19.51	19.50	19.48
11.48% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	195	10,00,000	19.51	19.49	19.47
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. February 27, 2020.	-	800	800	10,00,000	-	80.52	80.33
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000	1,000	10,00,000	-	100.94	100.95
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	-	459	905	10,00,000	-	47.39	93.19
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	2,140	10,00,000	221.07	220.19	219.39
10.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Four months from the date of allotment i.e. June 29, 2020.	240	725	1,208	10,00,000	24.27	74.29	123.74
9.81% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. July 31, 2020.	84	167	250	10,00,000	8.46	16.89	25.31
10.00% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. June 26, 2020.	500	500	500	10,00,000	53.74	53.62	53.52
10.05% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. July 3, 2020.	300	300	300	10,00,000	32.20	32.15	32.10
9.95% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Four Months from the date of allotment i.e. July 27, 2020.	1,000	1,000	1,000	10,00,000	106.72	106.64	106.57
10.20% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	-	170	170	10,00,000	-	16.97	16.94
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	-	500	10,00,000	-	-	52.84
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	-	360	10,00,000	-	-	37.98
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	-	500	10,00,000	-	-	49.93
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	-	500	10,00,000	-	-	49.97
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	-	1,000	1,000	10,00,000	-	104.04	103.73

Debentures (secured) (at amortised cost) (continued)

9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	-	250	250	10,00,000	-	25.88	25.80
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	-	250	1,000	10,00,000	-	25.12	100.35
9.00% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Two years from the date of allotment i.e. March 25, 2021.	-	500	500	10,00,000	-	54.13	49.55
10.42% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. March 31, 2021.	1,450	1,450	1,450	10,00,000	144.96	144.93	144.90
8.56% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Two years and Five days from the date of allotment i.e. August 31, 2021.	1,000	1,000	-	10,00,000	113.12	104.11	-
9.90% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years and Fifteen days from the date of allotment i.e. April 30, 2021.	710	710	-	10,00,000	70.96	70.92	-
9.70% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. March 11, 2022.	552	552	-	10,00,000	55.13	55.09	-
8.45% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Two years and Three months from the date of allotment i.e. September 27, 2022.	600	-	-	10,00,000	61.86	-	-
10.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Four years from the date of allotment i.e. November 18, 2022.	2,400	-	-	10,00,000	246.50	-	-
9.45% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after Two years from the date of allotment i.e. November 23, 2022.	18,53,133	-	-	1,000	182.81	-	-
9.83% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after Two years from the date of allotment i.e. November 23, 2022.	2,50,620	-	-	1,000	25.50	-	-
9.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after Three years from the date of allotment i.e. November 23, 2022.	21,24,936	-	-	1,000	209.40	-	-
10.02% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after Three years from the date of allotment i.e. November 23, 2022.	1,33,912	-	-	1,000	13.62	-	-
10.00% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after Five years from the date of allotment i.e. November 23, 2022.	5,54,955	-	-	1,000	54.64	-	-
10.46% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after Five years from the date of allotment i.e. November 23, 2022.	82,444	-	-	1,000	8.37	-	-
10.11% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is June 30, 2022, redeemable in four equal instillments on October 04, 2021, December 31, 2021, March 31, 2022 and balance to be redeemed on June 30, 2022	-	250	250	10,00,000	-	6.25	25.00
10.50% Non-convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures. The NCD is redeemable in one bullet payment redeemed on February 17, 2022	-	-	500	10,00,000	-	-	53.26
11.00% Non-Convertible Debentures - Privately placed, unlisted Secured by exclusive charge on the loans created out of the proceeds of the debentures and immovable properties. 99.99% of the principal amount of the NCD is redeemable on May 13, 2021 and balance on May 13, 2023 **	-	-	360	10,00,000	-	-	37.46
9.80% Non-convertible Debentures - Privately placed, Unlisted. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is April 23, 2024, with 99.99% redeemable on April 23, 2024 and balance to be redeemed on April 23, 2024**.	-	3,750	3,750	1,00,000	-	38.57	38.12
Total *	**50,11,366**	**17,363**	**19,583**		**1,672.35**	**1,417.63**	**1,659.88**

* The above excludes the impact of fair valuation of debt securities on acquisition.
** The balance 0.01% was prepaid on January 31, 2022

Debentures (unsecured) at amortised cost

Terms of debentures	Number of debentures			Face value (in Rs)	Amount (₹ in crore)		
	March 31, 2023	March 31, 2022	March 31, 2021		March 31, 2023	March 31, 2022	March 31, 2021
13.00% Non-Convertible Debentures - Privately placed, listed, unsecured .The NCD is redeemable on 16-Aug-2021.	-	-	150	10,00,000	-	-	15.01

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2023 ₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Half Yearly	1-3 years	10.5%-11%	1	24.17	-	-	-	-	-	-	-	-	-	-	24.17
		Above 3 years	9.5%-10%	2	107.00	2	107.00	-	-	-	-	-	-	-	-	214.00
	Bullet	1-3 years	8%-8.5%	-	-	1	60.00	-	-	-	-	-	-	-	-	60.00
			8.5%-9%	1	100.00	-	-	-	-	-	-	-	-	-	-	100.00
			9%-9.5%	-	-	1	185.31	-	-	-	-	-	-	-	-	185.31
			9.5%-10%	2	108.33	2	80.26	1	212.49	-	-	-	-	-	-	401.08
			10%-10.5%	3	225.00	-	-	1	13.39	-	-	-	-	-	-	238.39
		Above 3 years	9.5%-10%	-	-	1	71.00	-	-	-	-	-	-	-	-	71.00
			10%-10.5%	-	-	-	-	-	-	-	-	2	63.74	-	-	63.74
			11%-11.5%	1	19.50	-	-	-	-	-	-	-	-	-	-	19.50
			11.5%-12%	1	19.50	-	-	-	-	-	-	-	-	-	-	19.50
			14%-14.5% $	-	-	1	50.00	-	-	-	-	-	-	-	-	50.00
	Annually	Above 3 years	10%-10.5%	-	-	-	-	1	48.00	1	192.00	-	-	-	-	240.00
Term loan banks	Monthly	1-3 years	7%-7.5%	4	3.64	-	-	-	-	-	-	-	-	-	-	3.64
			7.5%-8.0%	94	549.59	51	457.26	6	106.12	-	-	-	-	-	-	1,112.97
			8%-8.5%	126	228.43	46	30.28	-	-	-	-	-	-	-	-	258.71
			8.5%-9%	341	1,232.92	147	760.28	16	97.20	-	-	-	-	-	-	2,090.40
			9%-9.5%	651	1,964.95	427	1,563.56	112	360.19	-	-	-	-	-	-	3,888.70
			9.5%-10%	345	621.62	104	159.15	3	2.50	-	-	-	-	-	-	783.27
			10%-10.5%	198	277.85	56	89.46	3	1.82	-	-	-	-	-	-	369.13
			10.5%-11%	59	73.45	11	10.56	-	-	-	-	-	-	-	-	84.01
			11%-11.5%	34	37.77	2	2.06	-	-	-	-	-	-	-	-	39.83
			11.5%-12%	24	37.50	6	9.38	-	-	-	-	-	-	-	-	46.88
		Above 3 years	7.5%-8.0%	24	33.33	14	19.37	-	-	-	-	-	-	-	-	52.70
			8%-8.5%	6	29.09	-	-	-	-	-	-	-	-	-	-	29.09
			8.5%-9%	12	27.27	6	14	-	-	-	-	-	-	-	-	40.91
			9%-9.5%	35	51.96	17	23.04	9	6.25	-	-	-	-	-	-	81.25
			9.5%-10%	5	1.41	-	-	-	-	-	-	-	-	-	-	1.41
			10%-10.5%	19	20.60	12	10.91	3	2.73	-	-	-	-	-	-	34.24
			10.5%-11%	12	1.14	12	1.25	12	1.37	5	0.66	-	-	-	-	4.42
	Quarterly	1-3 years	7.5%-8%	8	45.00	6	27.50	1	2.50	-	-	-	-	-	-	75.00
			8%-8.5%	7	117.50	3	60.00	-	-	-	-	-	-	-	-	177.50
			8.5%-9%	12	98.67	12	99.35	2	18.10	-	-	-	-	-	-	216.12
			9%-9.5%	28	226.62	27	288.74	9	154.55	-	-	-	-	-	-	669.91
			9.5%-10.0%	27	89.72	21	78.47	1	8.75	-	-	-	-	-	-	176.94
			10.0%-10.5%	24	154.38	13	78.28	-	-	-	-	-	-	-	-	232.66
		Above 3 years	7.5%-8.0%	3	15.00	4	20.00	-	-	-	-	-	-	-	-	35.00
			9%-9.5%	7	63.64	8	72.73	-	-	-	-	-	-	-	-	136.37
	Half Yearly	1-3 years	10.0%-10.5%	2	20.00	-	-	-	-	-	-	-	-	-	-	20.00
	Bullet	1-3 years	8.5%-9.0%	-	-	1	12.50	-	-	-	-	-	-	-	-	12.50
			9.0%-9.5%	2	40.00	-	-	-	-	-	-	-	-	-	-	40.00
			10.0%-10.5%	1	27.50	-	-	-	-	-	-	-	-	-	-	27.50

Terms of repayment of borrowings as on March 31, 2023

₹ in crore

Term loan from financial institutions	Monthly	1-3 years	9.0%-9.5%	7	117.25	8	132.75	-	-	-	-	-	-	-	-	250.00
			12.0%-12.5%	24	40.00	18	26.67	-	-	-	-	-	-	-	-	66.67
	Quarterly	1-3 years	7.0%-7.5%	4	100.00	4	100.00	3	75.00	-	-	-	-	-	-	275.00
		Above 3 years	9.5%-10.0%	12	145.20	12	99.00	12	55.20	5	32.60	-	-	-	-	332.00
			11.5%-12.0%	4	2.50	3	1.50	-	-	-	-	-	-	-	-	4.00
	Half Yearly	Above 3 years	11.5%-12%	16	409.15	6	180.00	-	-	-	-	-	-	-	-	589.15
Term loan from non-banking financial companies	Monthly	1-3 years	9%-9.5%	46	77.02	42	71.39	20	45.29	-	-	-	-	-	-	193.70
			9.5%-10%	43	57.47	25	37.11	20	30.72	-	-	-	-	-	-	125.30
			10%-10.5%	16	38.74	12	37.71	-	-	-	-	-	-	-	-	76.45
		Above 3 years	10.5%-11.0%	24	36.36	6	12.12	-	-	-	-	-	-	-	-	48.48
			10.0%-10.5%	22	15.24	23	16.79	-	-	-	-	-	-	-	-	32.03
	Quarterly	1-3 years	9%-9.5%	4	8.33	4	8.33	-	-	-	-	-	-	-	-	16.66
			9.5%-10%	7	26.25	6	26.67	4	21.67	1	5.42	-	-	-	-	80.01
			10.0%-10.5%	4	8.33	-	-	-	-	-	-	-	-	-	-	8.33
	Half-yearly	1-3 years	10.5%-11.0%	4	15.33	-	-	-	-	-	-	-	-	-	-	15.33
External commercial borrowings	Half Yearly	Above 3 years	9.0%-9.5%	-	-	1	32.70	2	65.39	2	65.39	-	-	-	-	163.48
			9.5%-10.0%	-	-	2	115.47	4	230.94	4	230.94	-	-	-	-	577.36
			10.0%-10.5%	-	-	2	44.70	2	44.70	1	22.35	-	-	-	-	111.75
			10.5%-11.0%	-	-	-	-	-	-	2	82.22	2	82.22	-	-	164.44
	Yearly	Above 3 years	9.5%-10.0%	-	-	-	-	1	38.79	1	38.79	1	77.58	-	-	155.16
	Bullet	1-3 years	9.5%-10.0%	-	-	-	-	1	199.38	-	-	-	-	-	-	199.38
		1-3 years	10.0%-10.5%	-	-	-	-	1	203.75	-	-	-	-	-	-	203.75
Sub-debt	Bullet	Above 3 years	14.5%-15%	-	-	-	-	1	12.50	1	12.50	-	-	-	-	25.00
Securitisation	Monthly	1-3 years	8.5%-9.0%	12	72.65	5	26.12	-	-	-	-	-	-	-	-	98.77
Grand Total				**2,370.00**	**7,863.87**	**1,193.00**	**5,410.37**	**251.00**	**2,059.29**	**23.00**	**682.87**	**5.00**	**223.54**	**-**	**-**	**16,239.94**

$ Sub-debt in the nature of Debentures.

Note: The above amount pertains to the principal outstanding only.

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2022 ₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Monthly	Above 3 years	9.50%-10.00%	1	37.50	-	-	-	-	-	-	-	-	-	-	37.50
	Quarterly	1-3 years	9%-9.5%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
			10%-10.5%	1	6.25	-	-	-	-	-	-	-	-	-	-	6.25
	Half Yearly	1-3 years	10.5%-11%	2	48.33	1	24.17	-	-	-	-	-	-	-	-	72.50
		Above 3 years	9.5%-10%	-	-	2	107.00	2	107.00	-	-	-	-	-	-	214.00
	Bullet	1-3 years	8.5%-9%	-	-	1	100.00	-	-	-	-	-	-	-	-	100.00
			9%-9.5%	3	175.00	-	-	-	-	-	-	-	-	-	-	175.00
			9.5%-10%	1	8.33	2	108.34	-	-	-	-	-	-	-	-	116.67
			10%-10.5%	-	-	2	80.00	-	-	-	-	-	-	-	-	80.00
		Above 3 years	9.5%-10%	-	-	-	-	2	126.20	-	-	-	-	-	-	126.20
			10%-10.5%	1	17.00	1	145.00	-	-	-	-	-	-	-	-	162.00
			11%-11.5%	1	80.00	1	19.50	-	-	-	-	-	-	-	-	99.50
			11.5%-12%	1	100.00	1	19.50	-	-	-	-	-	-	-	-	119.50
			14%-14.5% $	-	-	1	50.00	-	-	-	-	-	-	-	-	50.00
	Annually	Above 3 years	10%-10.5%	1	45.90	-	-	-	-	-	-	-	-	-	-	45.90
Term loan banks	Monthly	1-3 years	5.5%-6.0%	9	16.88	-	-	-	-	-	-	-	-	-	-	16.88
			6.5%-7.0%	24	27.27	9	10.45	-	-	-	-	-	-	-	-	37.73
			7%-7.5%	56	183.42	46	138.86	11	26.47	-	-	-	-	-	-	348.75
			7.5%-8.0%	591	1,720.29	299	959.59	20	180.00	-	-	-	-	-	-	2,859.87
			8%-8.5%	285	713.72	197	554.13	62	175.10	-	-	-	-	-	-	1,442.96
			8.5%-9%	412	954.95	250	398.92	4	10.38	-	-	-	-	-	-	1,364.24
			9%-9.5%	212	472.63	107	245.00	7	11.88	-	-	-	-	-	-	729.51
			9.5%-10%	21	19.24	12	8.53	-	-	-	-	-	-	-	-	27.77
			10%-10.5%	26	46.75	-	-	-	-	-	-	-	-	-	-	46.75
			11%-11.5%	19	30.33	-	-	-	-	-	-	-	-	-	-	30.33
		Above 3 years	7%-7.5%	36	66.67	36	66.67	26	52.78	-	-	-	-	-	-	186.12
			7.5%-8.0%	24	33.33	24	33.33	16	22.22	-	-	-	-	-	-	88.89
			8%-8.5%	105	259.70	77	96.44	52	43.91	-	-	-	-	-	-	400.05
			8.5%- 9%	15	5.90	5	1.42	-	-	-	-	-	-	-	-	7.33
			9%-9.5%	24	4.45	18	3.13	12	1.25	12	1.37	5	0.63	-	-	10.84
			9.5%- 10%	12	18.22	-	-	-	-	-	-	-	-	-	-	18.22
			10%-10.5%	35	30.28	7	9.69	-	-	-	-	-	-	-	-	39.97
			10.5%-11%	15	34.57	-	-	-	-	-	-	-	-	-	-	34.57
	Quarterly	1-3 years	7.5%-7.75%	3	60.00	4	80.00	3	60.00	-	-	-	-	-	-	200.00
			8%-8.5%	4	50.00	3	37.50	-	-	-	-	-	-	-	-	87.50
			8.5%-9%	8	71.43	4	36.36	5	45.45	-	-	-	-	-	-	153.25
			9%-9.5%	12	27.05	8	14.55	3	5.45	-	-	-	-	-	-	47.05
		Above 3 years	6.5%-7.0%	4	20.00	4	20.00	4	20.00	-	-	-	-	-	-	60.00
			8.5%-9%	3	6.82	4	9.09	4	9.09	-	-	-	-	-	-	25.00
			9%-9.5%	6	54.55	8	72.73	8	72.73	-	-	-	-	-	-	200.00
	Half Yearly	1-3 years	9.5%-10%	2	20.00	2	20.00	-	-	-	-	-	-	-	-	40.00
	Bullet	1-3 years	7.5%-8.0%	3	82.50	1	27.50	-	-	-	-	-	-	-	-	110.00
			8.5%-9%	4	90.00	-	-	-	-	-	-	-	-	-	-	90.00

Terms of repayment of borrowings as on March 31, 2022 ₹ in crore

Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	24	108.50	-	-	-	-	-	-	-	-	-	-	108.50
		1-3 years	9.5%-10%	18	33.33	24	40.00	18	26.67	-	-	-	-	-	-	100.00
	Quarterly	Above 3 years	9%-9.5%	4	28.00	4	28.00	4	8.00	4	8.00	-	-	-	-	72.00
			9.5%-10%	8	140.80	8	117.20	8	91.00	8	47.20	5	32.60	-	-	428.80
			11.5%-12%	4	12.25	4	2.50	3	1.50	-	-	-	-	-	-	16.25
	Half Yearly	1-3 years	7%-7.5%	3	216.00	-	-	-	-	-	-	-	-	-	-	216.00
			10.5%-11%	2	82.49	-	-	-	-	-	-	-	-	-	-	82.49
		Above 3 years	10.5%-11%	8	12.30	-	-	-	-	-	-	-	-	-	-	12.30
			11.5%-12%	18	331.90	16	409.15	6	180.00	-	-	-	-	-	-	921.05
	Bullet	1-3 years	7%-7.5%	2	65.00	-	-	-	-	-	-	-	-	-	-	65.00
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	32	76.96	16	42.06	12	37.71	-	-	-	-	-	-	156.74
			9%-9.5%	36	29.09	20	15.76	1	0.76	-	-	-	-	-	-	45.61
			9.5%-10%	16	25.82	4	15.33	-	-	-	-	-	-	-	-	41.16
			10%-10.5%	46	65.93	-	-	-	-	-	-	-	-	-	-	65.93
			11%-11.5%	3	4.21	-	-	-	-	-	-	-	-	-	-	4.21
		Above 3 years	9%-9.5%	36	42.56	36	44.05	26	27.85	-	-	-	-	-	-	114.45
	Quarterly	1-3 years	9%-9.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	25.00
			10%-10.5%	4	8.33	4	8.33	-	-	-	-	-	-	-	-	16.67
			11.5%-12%	3	4.07	-	-	-	-	-	-	-	-	-	-	4.07
External commercial borrowings	Half Yearly	Above 3 years	10%-10.5%	-	-	-	-	2	44.70	2	44.70	1	22.35	-	-	111.75
	Bullet	1-3 years	11%-11.5%	1	93.44	-	-	-	-	-	-	-	-	-	-	93.44
Sub-debt	Bullet	Above 3 years	14.5%-15%	-	-	-	-	-	-	-	-	1	12.50	1	12.50	25.00
Grand Total				**2,255.00**	**7,053.60**	**1,277.00**	**4,228.11**	**325.00**	**1,396.43**	**26.00**	**101.27**	**12.00**	**68.08**	**1.00**	**12.50**	**12,860.00**

$ Sub-debt in the nature of Debentures.

Note: The above amount pertains to the principal outstanding only.

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	10% - 10.5%	3	18.75	1	6.25	-	-	-	-	-	-	-	-	25.00
			9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	1	50.00	-	-	2	80.00	-	-	-	-	-	-	130.00
			12.5% - 13%	1	15.00	-	-	-	-	-	-	-	-	-	-	15.00
		Above 3 years	9.5% - 10%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
			10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			10.5% - 11%	2	36.00	-	-	-	-	-	-	-	-	-	-	36.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	162	480.03	58	119.19	-	-	-	-	-	-	-	-	599.22
			9%-9.5%	130	308.65	89	156.94	14	19.69	-	-	-	-	-	-	485.28
			9.5%-10%	13	7.27	12	5.00	12	5.00	-	-	-	-	-	-	17.27
			10% - 10.5%	52	87.02	23	43.18	-	-	-	-	-	-	-	-	130.20
			10.5% - 11%	62	67.58	3	3.57	-	-	-	-	-	-	-	-	71.15
			11% - 11.5%	52	74.62	19	30.33	-	-	-	-	-	-	-	-	104.95
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	24	410.87	14	368.78	-	-	-	-	-	-	-	-	779.65
			9%-9.5%	22	11.00	24	12.51	17	10.33	-	-	-	-	-	-	33.84
			9.5%-10%	16	11.49	-	-	-	-	-	-	-	-	-	-	11.49
			10%-10.5%	66	49.57	48	42.27	11	10.80	-	-	-	-	-	-	102.64
			10.5% - 11%	36	20.42	11	9.57	-	-	-	-	-	-	-	-	29.99
			11% - 11.5%	19	6.17	-	-	-	-	-	-	-	-	-	-	6.17
			11.5% - 12%	24	56.52	14	34.36	-	-	-	-	-	-	-	-	90.88
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
			9.5% - 10%	4	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10% - 10.5%	2	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10.5% - 11%	3	28.57	-	-	-	-	-	-	-	-	-	-	28.57
		Above 3 years	10.5% - 11%	1	0.83	-	-	-	-	-	-	-	-	-	-	0.83
	Half Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
			8.5% - 9%	2	60.00	-	-	-	-	-	-	-	-	-	-	60.00
			9.5% - 10%	2	80.00	-	-	-	-	-	-	-	-	-	-	80.00

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	25	142.82	2	16.00	-	-	-	-	-	-	-	-	158.82
			6.5% - 7%	2	20.00	-	-	-	-	-	-	-	-	-	-	20.00
			7% - 7.5%	11	9.82	-	-	-	-	-	-	-	-	-	-	9.82
			11.5% - 12%	2	2.48	-	-	-	-	-	-	-	-	-	-	2.48
		Above 3 years	6.5% - 7%	6	7.33	-	-	-	-	-	-	-	-	-	-	7.33
			12.5% - 13%	12	40.00	-	-	-	-	-	-	-	-	-	-	40.00
	Quaterly	Above 3 years	9% - 9.5%	4	28.00	4	28.00	4	28.00	4	8.00	4	8.00	-	-	100.00
			11.5% - 12%	4	15.00	4	12.25	4	2.50	3	1.50	-	-	-	-	31.25
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
			6.5% - 7%	2	50	1	25	-	-	-	-	-	-	-	-	74.99
		Above 3 years	10.5%-11%	14	20.60	8	12.30	-	-	-	-	-	-	-	-	32.90
			11% - 11.5%	1	1	-	-	-	-	-	-	-	-	-	-	0.63
			11.5%-12%	18	305.20	18	331.90	16	409.15	6	180.00	-	-	-	-	1,226.25
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-		-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-		-	33.48
			9.5%-10%	23	22.22	14	13.82	2	3.34	-	-	-	-		-	39.38
			10% - 10.5%	80	150.61	46	65.93	-	-	-	-	-	-	-	-	216.54
			10.5% - 11%	12	13.19	3	4.21	-	-	-	-	-	-	-	-	17.40
			11% - 11.5%	20	10.23	-	-	-	-	-	-	-	-	-	-	10.23
			11.5% - 12%	3	50.00	-	-	-	-	-	-	-	-	-	-	50.00
		Above 3 Years	9% - 9.5%	8	6.06	12	9.09	12	9.09	1.00	0.76	-	-	-	-	25.00
			10% - 10.5%	2	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			11% - 11.5%	2	0.71	-	-	-	-	-	-	-	-	-	-	0.71
	Quarterly	1-3 years	10% - 10.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	24.99
			11.5% - 12%	4	5.45	3	4.09	-	-	-	-	-	-	-	-	9.54
		Above 3 Years	11.5% - 12%	7	6.50	-	-	-	-	-	-	-	-	-	-	6.50
	Half Yearly	1-3 Years	10% - 10.5%	2	25.00	-	-	-	-	-	-	-	-	-	-	25.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**1,597.00**	**6,176.95**	**769**	**3,189.82**	**140**	**1,132.67**	**16**	**297.26**	**4.00**	**8.00**	**-**	**-**	**10,804.71**

Note: The above amount pertains to the principal outstanding only.

14 Borrowings other than debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Term loans (secured)			
Banks	10,740.33	8,697.44	6,256.24
Financials institutions	1,525.75	2,043.43	2,132.53
Non-banking financial companies	597.47	457.46	368.67
External commercial borrowings	1,473.77	93.74	225.51
Term loans (unsecured)			
External commercial borrowings	125.88	116.08	-
Non banking financial companies	-	16.70	171.56
Collateralised borrowings from Banks (Refer Note 33) (arising on account of securitisation)	98.80	-	9.17
Total	**14,562.00**	**11,424.85**	**9,163.68**
Borrowings in India	12,962.35	11,215.03	8,938.17
Borrowings outside India	1,599.65	209.82	225.51
Total	**14,562.00**	**11,424.85**	**9,163.68**

Note:

(1) The term loans are covered by unsecured microfinance loans to the extent of minimum 100% of outstanding. Further in respect of borrowings (including Debentures) drawn during quarter 4 of FY 2022-23 aggregating to ₹ 1694.44 crore (Quarter 4 of Previous year ₹ 1019.70 crore), the Group will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

(2) Term loans availed during the year were applied for the purposes for which the loans were obtained, other than temporary deployment pending application.

14.1 Delay in repayment

There were no delay in repayment of borrowings as at March 31, 2023, March 31, 2022 and March 31, 2021.

15 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Unsecured:			
Term Loan	25.26	25.57	50.26
Debentures	52.65	52.17	52.44
Total	**77.91**	**77.74**	**102.70**
Subordinated Liabilities in India	77.91	77.74	102.70
Subordinated Liabilities outside India	-	-	-
Total	**77.91**	**77.74**	**102.70**

16 Other financial liabilities

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Lease liabilities	78.51	85.00	75.34
Others	0.37	2.44	7.60
Total	**78.88**	**87.44**	**82.94**

17 Provisions

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Provision for employee benefits:			
Gratuity	10.57	8.50	7.56
Leave encashment and availment	26.06	22.75	17.97
Total	**36.63**	**31.25**	**25.53**

18 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Statutory dues payable (Tax deducted at source, GST, etc)	19.10	13.52	11.37
Total	**19.10**	**13.52**	**11.37**

19 Equity share capital ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Authorised			
Equity shares of ₹ 10 each	160.00	160.00	160.00
16,00,00,000 (March 31, 2022 and March 31, 2021 : 16,00,00,000) Equity shares (refer note: g below)	**160.00**	**160.00**	**160.00**
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Issued, subscibed and fully paid up			
158,906,443 (March 31, 2022 and March 31, 2021: 155,866,346 and 155,582,040) Equity shares of ₹ 10 each fully paid	158.91	155.87	155.58

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2023		March 31, 2022	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	15,58,66,346	155.87	15,55,82,040	155.58
Add: Issued during the year				
- On account of Qualified Institutional Placement	-	-	-	-
- On account of scheme of merger (refer Note 43) **	26,75,351	2.68	-	-
- Employee Stock Option Plan	3,64,746	0.36	2,84,306	0.29
Outstanding at the end of the year	**15,89,06,443**	**158.91**	**15,58,66,346**	**155.87**

** The Holding Company alloted 2,675,351 equity shares dated March 27, 2023 and it was pending for listing as on March 31, 2023.

(b) Terms/Rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Holding Company

Particulars	March 31, 2023		March 31, 2022		March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid						
CreditAccess India BV (Formerly known as "CreditAccess India NV")	11,51,09,028	72.44%	11,51,09,028	73.85%	11,51,09,028	73.99%
Nippon Life India Trustee Limited	57,76,212	3.63%	87,21,856	5.60%	61,05,884	3.92%

(d) Details of Promoters shareholdering

Particulars	No. of Shares	%of total shares	% Change during the year
		March 31, 2023	
1) CreditAccess India BV (Formerly known as "CreditAccess India NV")	11,51,09,028	72.44%	-1.41%
		March 31, 2022	
	11,51,09,028	73.85%	-0.13%
		March 31, 2021	
	11,51,09,028	73.99%	-5.95%

(e) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Holding Company refer Note 38.

(f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-22 (No. of equity shares)	31-Mar-21 (No. of equity shares)	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	-	-	48,90,140
Equity shares alloted to CreditAccess India BV (Formerly known as "CreditAccess India NV") in lieu of conversion of compulsorily convertible debentures	-	-	-	-	1,29,87,012
Total	**-**	**-**	**-**	**-**	**1,78,77,152**

(g) NCLT has issued order dated on February 07, 2023, approving amalgamation of Madura Micro Finance Limited (the "Transferor Company") with CreditAccess Grameen Limited (the "Transferee Company") effective from April 1, 2020. The Holding Company has filed the Certified True Copy of the Order in the Form INC-28 with the Registrar of Companies ("ROC") Karnataka, on February 15, 2023 and upon approval such Form, the authorised share capital of ₹ 10 Crore of transferor Company shall stand transferred to transferee Company. (refer Note 43)

20 Other equity*

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	535.73	370.52	294.09
Capital reserve	49.95	49.95	49.95
Securities premium	2,478.59	2,268.12	2,263.13
Share options outstanding account	19.41	11.72	8.52
Retained earnings	1,855.13	1,194.73	917.56
Shares to be issued on account of merger (Refer Note 43)	-	205.83	206.38
Effective portion of Cash Flow Hedge	9.25	0.39	-
Fair valuation of loans through other comprehensive income	-	(90.22)	(3.94)
Total	**4,948.06**	**4,011.04**	**3,735.69**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2023, March 31, 2022.

Nature and purpose of reserve

20.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act,

20.2 Capital reserve

During the year ended 2018, the Holding Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, as per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka, the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

Statutory reserve has been created based on the standalone pre-amalgamation profits for the year ended March 31, 2022 and March 31, 2021 of CreditAccess Grameen Limited and Madura Micro Finance Limited.

20.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5 Retained earnings

Retained earnings are the profits that the Holding Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropraitions to specific reserves.

20.6 Shares to be issued (Refer Note 43)

The Holding Company has received order of amalgamation of Madura Micro Finance Limited ("MMFL") with CreditAccess Grameen Limited, appointed date being April 1, 2020. The Scheme has been approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated October 12, 2022, and the Hon'ble National Company Law Tribunal, Bengaluru Bench, vide its order dated February 07, 2023. The Holding Company has issued shares on March 27, 2023 as per swap ratio decided in scheme of amalgamation to Non controlling shareholders of MMFL.

20.7 Other comprehensive income

(i) Effective portion of Cash Flow Hedge

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

(ii) Fair valuation of loans through other comprehensive income (FVTOCI)

The Holding Company has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Holding Company transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

20.8

₹ in crore

Movement of other comprehensive income for the year	March 31, 2023	March 31, 2022
Opening balance	(89.83)	(3.94)
(+) Fair value change during the year	32.25	(486.65)
(+) Effective portion of Cash Flow Hedge	9.25	0.39
(-) Impairment allowance transferred to statement of profit and loss	57.58	400.37
Closing balance	**9.25**	**(89.83)**

20.9 The Holding Company has not declared or paid any dividend during the year and has not proposed final dividend for the year and previous years.

21 Interest income ₹ in crore

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	556.50	2,720.90	3,277.40	1,914.94	618.04	**2,532.98**
Income from securitisation	-	0.06	0.06	-	0.56	**0.56**
Interest on deposits with banks and financial institutions	-	31.04	31.04	-	33.80	**33.80**
Income from government securities	-	18.62	18.62	-	-	**-**
Total	**556.50**	**2,770.62**	**3,327.13**	**1,914.94**	**652.39**	**2,567.33**

22 Fees and commission income ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Service fees for management of assigned portfolio of loans	0.03	0.06
Service and administration charges	1.23	2.44
Distribution Income	18.25	10.72
Total	**19.51**	**13.22**

23 Net gain on fair value changes ₹ in crore ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On On trading portfolio (realised)		
- Investments	21.32	17.85
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI (Net)	(3.18)	69.99
Total	**18.14**	**87.84**

24 Other Income ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Miscellaneous income*	5.67	7.31
Total	**5.67**	**7.31**

* Includes advertisement income, Service and administration charges and other miscellaneous income.

25 Finance costs ₹ in crore

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on debt securities	-	135.61	135.61	-	163.04	163.04
Interest on borrowings other than debt securities	-	1,054.17	1,054.17	-	797.46	797.46
Interest on subordinated liabilities	-	11.30	11.30	-	13.67	13.67
On financial liability towards securitisation (re-recognised on balance sheet)	-	0.02	0.02	-	0.16	0.16
Other interest expense						
-Interest on lease liabilities	-	8.79	8.79	-	8.08	8.08
-Others	-	2.99	2.99	-	1.73	1.73
Total Finance costs	**-**	**1,212.88**	**1,212.88**	**-**	**984.14**	**984.14**

26 Impairment on financial instruments ₹ in crore

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Group lending loans	57.58	328.24	**385.82**	400.37	171.78	**572.15**
Individual loans	-	15.20	**15.20**	-	24.59	**24.59**
Total	**57.58**	**343.44**	**401.02**	**400.37**	**196.37**	**596.74**

27 Employee benefit expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Salaries and wages	454.28	388.20
Contribution to provident and other funds	45.33	40.26
Share based payments to employees	10.65	5.45
Staff welfare expenses	4.98	3.75
Total	**515.24**	**437.66**

28 Depreciation and amortization expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
-On property, plant and equipment	13.38	12.41
-On intangible assets	22.87	22.14
-On right of use assets	13.59	12.68
Total	**49.84**	**47.23**

29 Other expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Rental charges payable under operating leases (Refer Note 36)	29.89	23.29
Bank charges	3.24	3.28
Rates and taxes	11.82	9.86
Insurance	5.94	3.59
Repairs and maintenance	19.46	18.41
Electricity	5.43	4.23
Travelling and conveyance	100.20	74.90
Postage and telecommunication	15.04	9.79
Printing and stationery	6.15	6.20
Professional and consultancy charges	23.15	17.20
Remuneration to directors	2.10	1.36
Auditor's remuneration (Refer Note below)	2.73	1.65
Training expenses	12.17	6.86
Corporate Social Responsibility expenses (Refer Note below)	8.40	9.71
NCD Issue expenses	2.99	-
Provision for other assets and written off	0.31	1.63
Miscellaneous expenses **	15.57	8.64
Total	**264.59**	**200.61**

Auditor's remuneration ₹ in crore

Particulars	For the year ended	
	March 31, 2023 #	March 31, 2022
As auditor		
Audit fee	1.72	1.47
Others	0.19	0.02
In other capacity		
Certification services	0.22	0.15
Tax representation fee	0.50	-
Reimbursement of expenses	0.10	0.01
Total	**2.73**	**1.65**

Excludes payment amounting to ₹ 1.03 crore for services in relation to issuance of Public Non-convertible debentures, which has been included in NCD Issue expenses.

Details of CSR expenditure ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Group during the year	8.32	9.69
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	8.40	6.64
c) Shortfall/ (excess) at the end of the year, *	(0.08)	3.05
d) Total of previous years shortfall	-	-

* Previous year unspent balance of ₹3.05 Crore has been fully spent during the current year.

Note:

1. In Previous year, the Group has deposited the unspent amount in relation to the CSR expenditure in dedicated bank account.

2. Reason for shortfall in previous year, are as below

a) Few of the projects like the Vaccination Drives, Support to physically/mentally challenged children and the self-learning center had commenced in the last quarter of the previous year and the period of the project extended to the next Financial year with committed payments to be made during this financial Year.

b) Two ongoing projects namely Anganawadi Improvement Program and Rural development program had execution challenges due to the covid situations in certain geographies. Hence, even though the institutions were identified, and events planned, the execution got delayed and some of the event dates had extended to this financial year.

3. Contribution of ₹ 11.45 crore made to CreditAccess India Foundation (Section 8 Company which is subsidary of the Holding Company).
4. The Group has entered into a Memorandum of Understanding with CreditAccess India Foundation for CSR Activities (COVID-19 pandemic support program, Community Development activity like education, health Care, livelihood and other support activity).

5. W.r.t previous year, gross amount required to be spent was computed based on standalone entities' profit before giving effect of the merger.

** During the previous year, the Group has reversed additional provision carried over and above requirements as per Section 135 of Companies Act, 2013 to the extent of ₹ 4.96 Crore.

30 Income tax

₹ in crore

(A)

Particulars	**For the year ended**	
	March 31, 2023	**March 31, 2022**
Current tax		
(i) Current year	238.64	118.12
(ii) Earlier year	(0.41)	2.16
Deferred tax		
(i) Current year	44.85	8.99
(ii) Earlier year	(3.72)	(1.55)
Total tax charge	**279.36**	**127.72**

(B) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in crore

Particulars	**For the year ended**	
	March 31, 2023	**March 31, 2022**
Profit before tax	1,105.42	480.79
At India's statutory income tax rate of 25.17% (2022: 25.17%)	278.24	121.01
Non deductible expenses		
Interest	0.30	0.09
CSR and Donation	2.14	1.19
Employee stock option cost	-	1.37
80JJAA of Income Tax Act, 1961	(0.78)	-
Others (net)	(0.54)	4.06
Income tax expense reported in statement of profit and loss	**279.36**	**127.72**

Movement in deferred tax balances for the year ended March 31, 2023

₹ in crore

Particulars	Net balance April 1, 2022	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2023	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	(5.08)	(0.18)	-	-	(5.26)	-	(5.26)
Remeasurement gain / (loss) on defined benefit plan	6.69	(0.13)	-	-	6.56	6.56	-
Impairment allowance for loans	126.47	(45.77)	-	-	80.70	80.70	-
Expenses incurred on Initial Public Offering	1.45	(1.16)	-	-	0.29	0.29	-
Receivable from assignment of portfolio	(19.80)	(6.49)	-	-	(26.29)	-	(26.29)
Other items	44.75	12.74	(2.98)	(30.34)	24.17	24.17	-
Additions on account of Merger	0.90	(0.14)	-	-	0.76	0.76	-
Net Deferred tax assets / (liabilities)	**155.39**	**(41.13)**	**(2.98)**	**(30.34)**	**80.93**	**112.48**	**(31.55)**

(C) Movement in deferred tax balances for the year ended March 31, 2022

₹ in crore

Particulars	Net balance April 1, 2021	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2022	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	(2.50)	(2.58)	-	-	(5.08)	-	(5.08)
Remeasurement gain / (loss) on defined benefit plan	5.41	1.39	(0.11)	-	6.69	6.69	-
Impairment allowance for loans	148.51	(22.04)	-	-	126.47	126.47	-
Expenses incurred on Initial Public Offering	2.91	(1.46)	-	-	1.45	1.45	-
Receivable from assignment of portfolio	(26.55)	6.75	-		(19.80)	-	(19.80)
Other items	5.63	10.88	28.24	-	44.75	44.75	-
Additions on account of Merger	1.29	(0.38)	-	-	0.90	0.90	-
Net Deferred tax assets / (liabilities)	**134.70**	**(7.44)**	**28.13**	**-**	**155.39**	**180.27**	**(24.88)**

(D) The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets (net)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Income tax assets	557.83	492.91	526.72
Less: Income tax liabilities	518.27	454.46	488.71
Total	**39.56**	**38.45**	**38.01**

Current tax liabilities (net)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Income tax liabilities	238.48	185.65	76.39
Less: Income tax assets	237.92	184.19	75.40
Total	**0.56**	**1.46**	**0.99**

31 Employee benefits

A. Defined benefit plan

The Group provides for the gratuity, a defined benefit retirement plan covering qualifying employees. Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The Group have both funded and unfunded gratuity plans and it makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity Fund.

B. Defined contribution plan

The Group makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Group are administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Group recognised ₹ 30.64 crore (March 31, 2022 : ₹ 26.65) for Provident fund contributions and ₹ 6.99 crore (March 31, 2022 : ₹ 6.09) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

31.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	**26.62**	**21.65**
Current service cost	6.77	6.00
Interest cost	1.52	1.39
Past service cost	-	-
Benefits settled	(2.28)	(1.70)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	0.57	2.46
- Changes in demographic assumptions	(0.34)	(0.02)
- Changes in financial assumptions	(0.80)	(3.16)
Obligation at the end of the year	**32.06**	**26.62**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	**18.12**	**14.08**
Interest income on plan assets	1.37	1.09
Re-measurement- actuarial gain	(1.17)	(0.01)
Return on plan assets recognised in other comprehensive income	-	-
Contributions	4.86	4.20
Benefits settled	(1.69)	(1.24)
Plan assets at the end of the year, at fair value	**21.49**	**18.12**
Net defined benefit liability	**10.57**	**8.50**

31.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Current service cost	6.77	6.00
Interest cost	0.15	0.30
Net gratuity cost	**6.92**	**6.30**

31.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	0.57	2.46
- Changes in demographic assumptions	(0.34)	(0.02)
- Changes in financial assumptions	(0.80)	(3.16)
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	1.17	0.01
Total Actuarial (gains) / losses included in OCI	**0.60**	**(0.71)**

31.4 Plan assets

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Funds managed by insurer	100%	100%	100%

31.5 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Discount rate	7.36%	5.60% - 6.96%	4.85% - 6.79%
Future salary growth	8.00%	8%-10%	10.00%
Attrition rate	25.41%	23.01% - 30.00%	22.85% - 30.00%
Normal retirement age	60 years	60 years	60 years
Average term of liabilty (in years)	5.98 years	4.00 - 6.57 years	4.00 - 7.79 years

31.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crore

Particulars	March 31, 2023		March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.00)	2.30	(1.44)	1.98	(1.32)	1.86
Future salary growth (1% movement)	1.94	(1.74)	1.72	(1.26)	1.61	(1.16)
Attrition rate (1% movement)	(0.28)	0.31	(0.27)	1.51	(0.16)	1.93
Mortality Rate (- / + 10% of mortality rates)	-	-	-	-	-	-

31.7 Expected contribution to the plan for the next annual reporting period is ₹ 10.43 crore (March 31, 2022 - ₹ 7.55).

The weighted average duration of the defined benefit obligation of Group is 5.98 years (for planned assets) [March 31, 2022- 6.57 years (for planned assets) and 4 years (for unplanned Liability)]. The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2023								
Gratuity	4.23	3.53	2.88	2.47	2.13	7.00	44.12	66.36
Total	**4.23**	**3.53**	**2.88**	**2.47**	**2.13**	**7.00**	**44.12**	**66.36**
31 March, 2022								
Gratuity	3.62	2.87	2.49	2.05	1.72	5.33	31.49	49.57
Total	**3.62**	**2.87**	**2.49**	**2.05**	**1.72**	**5.33**	**31.49**	**49.57**
31 March, 2021								
Gratuity	2.90	2.17	1.87	1.66	1.36	4.46	29.17	43.59
Total	**2.90**	**2.17**	**1.87**	**1.66**	**1.36**	**4.46**	**29.17**	**43.59**

31.8 Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy
The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Code on Social Security
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

32 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2023

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,341.41	-	**1,341.41**
(b)	Bank balance other than cash and cash equivalents	57.27	37.75	**95.02**
(c)	Loans	11,021.93	8,021.41	**19,043.34**
(d)	Investments	453.98	0.54	**454.52**
(e)	Derivative financial instrument	31.63	-	**31.63**
(f)	Other financial assets	120.99	28.60	**149.59**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	39.56	**39.56**
(b)	Deferred tax assets (net)	-	80.93	**80.93**
(c)	Property, plant and equipment	-	32.08	**32.08**
(d)	Right of use assets	-	64.75	**64.75**
(e)	Goodwill	-	375.68	**375.68**
(f)	Intangible assets	-	126.52	**126.52**
(g)	Intangible assets under development	-	3.94	**3.94**
(h)	Other non-financial assets	18.64	0.49	**19.13**
	Total assets	**13,045.85**	**8,812.25**	**21,858.10**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	0.10	-	**0.10**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	43.95	-	**43.95**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	259.50	0.15	**259.65**
(b)	Borrowings*			
	- Debt securities	646.27	1,026.08	**1,672.35**
	- Borrowings (other than debt securities)	7,313.29	7,248.71	**14,562.00**
	- Subordinated liabilities	0.04	77.87	**77.91**
(c)	Other financial liabilities	11.93	66.95	**78.88**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	0.56	-	**0.56**
(b)	Provisions	18.58	18.05	**36.63**
(c)	Other non-financial liabilities	19.10	-	**19.10**
	Total liabilities	**8,313.32**	**8,437.81**	**16,751.13**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

(B) Maturity analysis of assets and liabilities as at March 31, 2022

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,580.55	-	**1,580.55**
(b)	Bank balance other than cash and cash equivalents	170.24	10.60	**180.84**
(c)	Loans	8,827.43	5,937.90	**14,765.33**
(d)	Investments	-	0.54	**0.54**
(e)	Other financial assets	98.93	19.55	**118.48**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	38.45	**38.45**
(b)	Deferred tax assets (net)	-	155.39	**155.39**
(c)	Property, plant and equipment	-	31.80	**31.80**
(d)	Right of use assets	0.15	74.61	**74.76**
(e)	Goodwill	-	375.68	**375.68**
(f)	Intangible assets	-	146.65	**146.65**
(g)	Intangible assets under development	-	3.07	**3.07**
(h)	Other non-financial assets	10.21	0.20	**10.41**
	Total assets	**10,687.51**	**6,794.44**	**17,481.95**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	1.66	-	**1.66**
(b)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	34.78	-	**34.78**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	224.11	0.13	**224.24**
(c)	Borrowings*			
	- Debt securities	579.02	839.08	**1,418.10**
	- Borrowings (other than debt securities)	6,539.27	4,885.58	**11,424.85**
	- Subordinated liabilities	-	77.74	**77.74**
(d)	Other financial liabilities	13.98	73.46	**87.44**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	1.46	-	**1.46**
(b)	Provisions	13.06	18.19	**31.25**
(c)	Other non-financial liabilities	13.46	0.06	**13.52**
	Total liabilities	**7,420.80**	**5,894.24**	**13,315.04**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders

(C) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	2,360.09	-	**2,360.09**
(b)	Bank balance other than cash and cash equivalents	46.17	78.12	**124.29**
(c)	Other receivables	-	-	**-**
(d)	Loans	7,466.68	4,253.80	**11,720.48**
(e)	Investments	-	0.54	**0.54**
(f)	Other financial assets	106.88	25.43	**132.31**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	38.01	**38.01**
(b)	Deferred tax assets (net)	-	134.70	**134.70**
(c)	Property, plant and equipment	-	24.15	**24.15**
(d)	Right of use assets	-	67.50	**67.50**
(e)	Goodwill	-	375.68	**375.68**
(f)	Intangible assets	-	163.54	**163.54**
(g)	Intangible assets under development	-	0.62	**0.62**
(h)	Other non-financial assets	12.07	1.14	**13.21**
	Total assets	**9,991.89**	**5,163.23**	**15,155.12**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	22.05	-	**22.05**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	179.64	-	**179.64**
(b)	Borrowings*			
	- Debt securities	525.63	1,149.32	**1,674.95**
	- Borrowings (other than debt securities)	5,660.80	3,502.88	**9,163.68**
	- Subordinated liabilities	27.79	74.91	**102.70**
(c)	Other financial liabilities	15.99	66.95	**82.94**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	-	0.99	**0.99**
(b)	Provisions	10.04	15.49	**25.53**
(c)	Other non-financial liabilities	11.31	0.06	**11.37**
	Total liabilities	**6,453.25**	**4,810.60**	**11,263.85**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

33 Transfer of financial assets

a) *Transferred financial assets that are not derecognised in their entirety.*

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

₹ in crore

Particulars	March 31,2023	March 31,2022	March 31,2021
Securitisations			
Carrying amount of transferred assets measured at amortised cost	103.56	-	15.89
Carrying amount of associated liabilities (debt securities - measured at amortised cost) (Refer Note 14)	(98.80)	-	(9.15)
Fair value of transferred assets	103.56	-	15.89
Fair value of associated liabilities	(98.80)	-	(9.15)
Net position at amortised cost	4.76	-	6.74

b) *Transferred financial assets that are derecognised in their entirety.*

The Group has assigned loans (earlier measured at FVTOCI/amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost (Previous year it was measured at fair value through OCI) on derecognition during the year:

₹ in crore

Particulars	March 31,2023	March 31,2022	March 31,2021
Direct assignments			
Carrying amount of derecognised financial assets	1,721.56	1,120.30	1,329.36
Gain from derecognition	122.89	75.69	109.82

Since the Group transferred the above financial asset in a transfer that qualified for derecognition in its entirety, the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

The Group has not transferred any assets that are derecognised during the year in their entirety where the Group continues to have continuing involvement.

34 Contingent liabilities

Contingent liabilities not provided for in respect of the below: ₹ in crore

(a)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Performance security provided by the Group pursuant to service provider agreement	-	0.10	0.11
Demand under Employee Provident Fund Act, 1952	0.25	0.25	0.25

(b) Pertaining to Assessment Year 2017-18 (Financial year 2016-17)

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.2.62 crore (net demand after adjusting of payment made is ₹ 1.16 crore) from the Company. The Holding Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Holding Company is of view that the said demand is not tenable and expects to succeed in its appeal.

(c) In addition, the Holding Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Holding Company financial position and result of operations.

35 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
For purchase / development of computer software	2.22	3.91	0.87

36 Leases

Company as a leasee

36.1 The Group's leased assets mainly comprise office buildings and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property and server leases ranges from 1-10 years. The Group has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

36.2 Total lease liabilities are analysed as follows:

₹ in crore

Lease liabilities	March 31, 2023	March 31, 2022	March 31, 2021
Current	11.71	11.29	8.72
Non-current	66.80	73.71	66.62
Total	**78.51**	**85.00**	**75.34**

36.3 Amounts recognised in the statement of profit and loss ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Depreciation charge of right-of-use assets			
Buildings	4.35	4.78	4.43
Servers	9.24	7.90	7.83
	13.59	**12.68**	**12.26**
Expense relating to variable lease payments			
Expense relating to short-term leases (included in other expenses)	29.89	23.28	19.28
Interest on lease liabilities (included in finance costs)	8.79	8.08	6.56

₹ in crore

36.4

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total cash outflow for leases	48.77	41.57	34.21
Total commitments for short-term leases	14.56	10.48	7.77

36.5 The Group had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2023	March 31, 2022	March 31, 2021
Computers	2.26	-	7.59

36.6 The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crore

Maturity analysis:	March 31, 2023	March 31, 2022	March 31, 2021
Less than 1 year	18.74	19.29	16.08
Between 1 and 2 years	18.55	17.72	15.02
Between 2 and 5 years	52.64	49.89	41.00
More than 5 years	14.37	31.19	37.87
Total	**104.30**	**118.09**	**109.97**

36.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Balance as at beginning of the year	**85.00**	**75.34**
Additions in the scheme of Merger	-	-
Additions during the period	4.96	19.94
Finance cost incurred during the period	8.79	8.08
Termination of lease during the period	(0.93)	-
Payment of lease liabilities	(19.31)	(18.36)
Balance as of closing of the year	**78.51**	**85.00**

Note: Refer Note 10(A) for movement in right of use of assets.

37 Related party transactions

Names of the related parties ***(as per IndAS – 24)***

Holding Company	CreditAccess India BV (Formerly known as "CreditAccess India NV")
Fellow Subsidiary Company	CreditAccess Life Insurance Limited ('CALIL')
Managing Director & CEO (KMP)	Mr. Udaya Kumar Hebbar
Chairman & Lead Independent Director (Chairman from August 11, 2021)	Mr. George Joseph
Chairman & Nominee Director (Upto July 30, 2021), Non-Executive Director in MMFL (upto August 03, 2021) and Non-Executive Director & Vice-Chairman (w.e.f October 21, 2022)	Mr. Paolo Brichetti
Non-Executive Director of MMFL*	Mr. Diwakar B R
Independent Director (w.e.f October 21, 2022)	Ms. Rekha Gopal Warriar
Independent Director (upto November 03, 2020)	Mr. R Prabha
Independent Director (upto September 10, 2022)	Ms. Sucharita Mukherjee
Independent Director (upto June 25, 2020)	Mr. Anal Kumar Jain
Independent Director	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Independent Director (w.e.f. September 16, 2020)	Ms. Lilian Jessie Paul
Key Managerial Personnel (w.e.f. July 01, 2021)	Mr. Ganesh Narayanan, Deputy CEO
Key Managerial Personnel (w.e.f. November 7, 2020)	Mr. Sadananda Balakrishna Kamath, Chief Financial Officer
Key Managerial Personnel	Mr. M J Mahadev Prakash, Company Secretary and Chief Compliance officer
Non-Executive Director of MMFL* (Whole time Director- upto March 31, 2021 and Non-Executive Director - w.e.f April 1, 2021)	Mr. F. S. Mohan Eddy
Independent Director of MMFL*	Mr. N. C. Sarabeswaran
Key Managerial Personnel of MMFL* (w.e.f. Feburay 21, 2021)	Mr. Ganesh Hegde, Company Secretary
Non-Executive Director of MMFL* (Managing Director- up to February 21, 2021 and Non-Executive Director- w.e.f. February 22, 2021.	Ms. Tara Thiagarajan
CEO & CFO-Key Managerial Personnel of MMFL* (CEO- up to February 21, 2021 and CEO & CFO- w.e.f. February 22, 2021.	Mr. M. Narayanan

*Pertaining to Madura Micro Finance Limited ("MMFL") which is merged with Company pursuant to NCLT order Dated February 07, 2023 (Refer Note 43)

₹ in crore

Particulars	**Key management personnel**	
	March 31, 2023	**March 31, 2022**
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	3.43	2.85
Employee Stock Options exercised	1.04	0.59
Mr. Sadananda Balakrishna Kamath		
Salary and perquisites	1.28	1.10
Employee Stock Options exercised	0.21	0.15
Mr. M J Mahadev Prakash		
Salary and perquisites	0.67	0.58
Employee Stock Options exercised	0.04	-
Mr. Ganesh Narayanan		
Salary and perquisites	1.83	1.27
Employee Stock Options exercised	0.79	-
Mr M Narayanan (Refer footnote Note 1)		
Salary and perquisites	1.40	1.35
Employee Stock Options exercised	-	-
Mr. Ganesh Hegde		
Salary and perquisites	0.11	0.11
Employee Stock Options exercised	-	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above. Salary and perquisites is excluding ESOP benefits expenses.

Note 1: On account of merger (Refer note 43) 15,00,508 and 6,24,362 number of equity shares of the Company have been issued to Ms. Tara Thiagarajan and Mr. M Narayanan on March 27, 2023 against the equity shares held in Madura Micro Finance Limited as per the swap ratio mentioned in scheme of merger.

37 Related party transactions

Related party transactions (Continue)

₹ in crore

Sitting fees	March 31, 2023	March 31, 2022
Mr. Paolo Brichetti	0.04	0.01
Mr. Sumit Kumar	0.13	0.04
Mr. Massimo Vita	0.15	0.06
Ms. Sucharita Mukherjee	0.01	0.05
Mr. George Joseph	0.22	0.18
Mr. Manoj Kumar	0.14	0.14
Ms. Lilian Jessie Paul	0.05	0.06
Mr. N C Sarabeswaran	0.03	0.07
Ms. Rekha Gopal Warriar	0.04	-
Mr. Diwakar B R	0.01	-
Ms Tara Thiagarajan	0.01	0.03
Mr F S Mohan Eddy	0.02	0.04

₹ in crore

Commission #	Other related parties	
	March 31, 2023	March 31, 2022
Mr. R Prabha	-	0.01
Mr. Anal Kumar Jain	-	(0.04)
Ms. Lilian Jessie Paul	0.23	0.14
Ms. Sucharita Mukherjee	0.24	0.12
Mr. George Joseph	0.38	0.17
Ms. Rekha Gopal Warriar	0.12	-
Mr. Manoj Kumar	0.30	0.17

on accrual basis.

₹ in crore

Sitting fees payable	Other related parties		
	March 31, 2023	March 31, 2022	March 31, 2021
Mr. Paolo Brichetti	-	-	0.02
Mr. Massimo Vita	-	0.01	0.02
Mr. Sumit Kumar	-	-	0.01

₹ in crore

Commission payable	Other related parties		
	March 31, 2023	March 31, 2022	March 31, 2021
Mr. R Prabha	-	-	0.07
Mr. Anal Kumar Jain	-	-	0.06
Ms. Lilian Jessie Paul	0.15	0.08	-
Ms. Sucharita Mukherjee	0.16	0.10	0.06
Mr. George Joseph	0.25	0.12	0.07
Ms. Rekha Gopal Warriar	0.12	-	-
Mr. Manoj Kumar	0.20	0.10	0.03

38 Employee stock options

Stock options: The Group has provided share based payments to its employees under the 'CAGL Employees Stock Option Plan – 2011' (upto July 8, 2020 name was 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'). The various Tranches I, II, III, IV, V , VI, VII, VIII and IX represent different grants made under the plan. During year ended March 31, 2023, the following stock option grants were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII	Tranche IX
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018	Jan 1,2021	Jan 1,2022	Jan 1,2023
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jan 29, 2021	Mar 23, 2022	Mar 23, 2023
Number of Options granted	7,16,676	6,31,339	4,43,000	4,31,000	5,21,000	9,71,000	3,75,900	10,29,300	7,68,600
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:									
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from date of vesting		
Vesting conditions	Employee to be in service at the time of vesting								
Weighted average remaining contractual life (years)									
-I	-	-	-	-	-	-	1.76	2.76	3.76
-II	-	-	-	-	-	0.75	2.76	3.76	4.76
-III	-	-	-	0.25	0.76	1.76	3.76	4.76	5.76
-IV	-	-	-	1.25	1.76	2.76	4.76	5.76	6.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91	595.68	902.60
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	224.32	167.40	265.13

Additional disclosures for Tranche IX - granted during the current year and Tranche VIII - in previous year:

Particulars	Tranche IX	Tranche VIII	Tranche VII
Share price on the date of Grant (in Rs.)	915.30	597.30	768.85
Expected volatality (%)			
I	45.60%	44.44%	58.89%
II	47.21%	43.38%	52.16%
III	45.03%	51.03%	49.37%
IV	44.79%	49.42%	49.82%
Risk free interest rate (%)			
I	7.13%	5.10%	4.34%
II	7.29%	5.65%	4.99%
III	7.40%	6.12%	5.62%
IV	7.44%	6.46%	6.03%
Fair value per option (in Rs.)			
I	198.44	116.67	184.06
II	253.55	144.49	207.75
III	286.55	193.85	235.3
IV	321.99	214.58	270.19

38 Employee stock options

Employee stock options (continued)

Reconciliation of options:

Particulars	March 31, 2023	March 31, 2022
Tranche I		
Options outstanding at the beginning of the year	-	-
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	-	4,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	1,500
Expired during the year	-	2,500
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche III		
Options outstanding at the beginning of the year	4,500	7,500
Granted during the year		-
Forfeited during the year		-
Exercised during the year	3,000	1,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	-	4,500
Exercisable at the end of the year	-	4,500
Tranche IV		
Options outstanding at the beginning of the year	1,56,750	1,83,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	99,500	26,500
Expired during the year	-	-
Outstanding at the end of the year	57,250	1,56,750
Exercisable at the end of the year	57,250	1,56,750
Tranche V		
Options outstanding at the beginning of the year	2,15,250	3,13,950
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	78,350	98,700
Expired during the year	5,000	-
Outstanding at the end of the year	1,31,900	2,15,250
Exercisable at the end of the year	1,31,900	2,15,250
Tranche VI		
Options outstanding at the beginning of the year	3,54,261	5,20,343
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,62,006	1,54,256
Expired during the year	9,646	11,826
Outstanding at the end of the year	1,82,609	3,54,261
Exercisable at the end of the year	1,82,609	3,54,261
Tranche VII		
Options outstanding at the beginning of the year	3,32,125	3,75,900
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	8,100	1,850
Expired during the year	17,950	41,925
Outstanding at the end of the year	3,06,075	3,32,125
Exercisable at the end of the year	1,49,225	82,150
Tranche VIII		
Options outstanding at the beginning of the year	10,29,300	-
Granted during the year	-	10,29,300
Forfeited during the year	-	-
Exercised during the year	13,790	-
Expired during the year	37,700	-
Outstanding at the end of the year	9,77,810	10,29,300
Exercisable at the end of the year	2,36,210	-
Tranche IX		
Options outstanding at the beginning of the year	-	-
Granted during the year	7,68,600	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	7,68,600	-
Exercisable at the end of the year	-	-

39 Revenue from contracts with customers

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
(A) Type of services		
Service fees for management of assigned portfolio of loans	0.03	0.06
Service and administration charges	1.23	2.44
Distribution Income	18.25	10.72
Advertisement display income	3.07	4.72
Total	**22.58**	**17.94**

(B) Geographical markets

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2022
India	22.58	17.94
Outside India	-	-
Total	**22.58**	**17.94**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Services transferred at a point in time	22.58	17.94
Services transferred over time	-	-
Total	**22.58**	**17.94**

(D) Receivables

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Distribution income	8.13	4.02	1.07

CreditAccess Grameen Limited
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40 Financial instruments – fair values

Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crore

Financial assets (assets measured at fair value)	March 31, 2023			March 31, 2022			March 31, 2021		
	Fair value			Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	-	-	-	11,246.06	-	-	8,893.33
Investments	-	-	0.54	-	-	0.53	-	-	0.54
Derivative financial instruments	-	31.63	-	-	-	-	-	-	-
Total	**-**	**31.63**	**0.54**	**-**	**-**	**11,246.59**	**-**	**-**	**8,893.87**
Financial Liabilities									
Derivative financial instruments	-	-	-	-	1.66	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1.66**	**-**	**-**	**-**	**-**

Fair values of Loans designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the Group.

₹ in crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2023				March 31, 2022				March 31, 2021			
	Amortised cost	Fair value			Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	19,043.34	-	-	18,952.66	3,519.27	-	-	3,685.49	2,827.15	-	-	2,870.87
Investment (G-sec)	453.98	-	-	431.18	-	-	-	-	-	-	-	-
Total	**19,043.34**	**-**	**-**	**19,383.84**	**3,519.27**	**-**	**-**	**3,685.49**	**2,827.15**	**-**	**-**	**2,870.87**
Debt securities	1,672.35	-	-	1,694.06	1,418.10	-	-	1,437.35	1,674.95	-	-	1,710.68
Borrowings (other than debt securities)	14,562.00	-	-	14,617.50	11,424.85	-	-	11,489.41	9,163.68	-	-	9,229.93
Subordinated liabilities	77.91	-	-	83.11	77.74	-	-	84.82	102.70	-	-	113.61
Lease liabilities	78.51	-	-	79.22	85.00	-	-	89.12	75.34	-	-	75.72
Total	**16,390.77**	**-**	**-**	**16,473.89**	**13,005.69**	**-**	**-**	**13,100.70**	**11,016.67**	**-**	**-**	**11,129.94**

Note: The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets and payables are considered to be the same as their fair values, due to their short-term nature.

There were no transfers between Level 3 and Level 1 / Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)
Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Financial liabilities measured at amortised cost
The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

41 Risk Management

41.1 Introduction and risk profile

CreditAccess Grameen Limited (the 'Holding Company) is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The major risks for the company are credit, operational, market, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

41.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the Group. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Group and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Group. The Board reviews the status and progress of the risk and risk management system, on a quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO. While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management Level Risk Committee (MLRC) comprising of MD&CEO, CFO, CAO, Deputy CEO & CBO, CTO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Group's policy is that risk management processes throughout the Group are audited by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

41.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Group. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Group formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

41.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.
Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.
As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.
All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC.
The Management Level Risk Committee meetings are held as necessary or once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Group in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

41.1.d Risk Management Strategies
Excessive risk concentrations
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Group to manage the various key risks.

Political Risk mitigation measures:
• Low cost operations and low pricing for customers.
• Customer centric approach, high customer retention.
• Rural focus.
• Systematic customer awareness activities.
• High social focused activities.
• Adherence to client protection guidelines.
• Robust grievance redressal mechanism.
• Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
• District centric approach.
• District exposure cap.
• Restriction on growth in urban locations.
• Maximum disbursement cap per loan account.
• Maximum loan exposure cap per customer.
• Diversified funding resources.

Operational & HR Risk mitigation measures:
• Stringent customer enrolment process.
• Multiple products.
• Proper recruitment policy and appraisal system.
• Adequately trained field force.
• Weekly & fortnightly collections – higher customer touch, lower amount instalments.
• Multilevel monitoring framework.
• Strong, Independent and fully automated Internal Audit function.
• Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
• Diversified funding resources.
• Asset liability management.
• Effective fund management.
• Maximum cash holding cap.

Expansion risk mitigation measures:
• Contiguous growth.
• District centric approach.
• Rural focus.
• Branch selection based on census data & credit bureau data.
• Three level survey of the location selected.

Credit risk
Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Group. Credit risk is the core business risk of the Grouo. The Group therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Group is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Group has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the compnay follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in Group.
Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The Group ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each Compnay's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS tagging and KYC checks..

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

41.2 Impairment assessment
The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

41.2.a Definition of default, significant increase in credit risk and stage assessment
For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Group considers that the obligor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the Group.

Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Group granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

The accounts which were restructured under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage-2.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(i) Staging classification of Joint Liability Group (JLG) loans of Group
Unlike banks which have more of monthly repayments, the Group offers products with primarily weekly/biweekly repayment frequency, whereby 15 and above Days past due ('DPD') means minimum 2 missed instalments from the borrower, and accordingly, the Group has identified the following stage classification to be the most appropriate for such products :
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Self Help groups (SHG)

The Group has identified the following stage classification to be the most appropriate for its loans as these loans are mainly on monthly repayment basis:

Stage 1: 0 to 30 DPD.
Stage 2: 31 to 60 DPD (SICR).
Stage 3: Above 60 DPD (Default).

(iii) Staging classification of Individual Loans of the Group

For monthly repayment model, the Group has identified the following stage classification to be the most appropriate for these loans :
Stage 1: 0 to 30 DPD.
Stage 2: 31 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

41.2.b Probability of Default ('PD')

(i) Group lending (including SHG)

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of loan outstanding in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of loan outstanding in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% in line with accounting standard

(ii) Individual Loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a method which is based on management judgement.

41.2.c Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

41.2 .d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Group lending loans (including SHG)

LGD is computed as below:

The Group determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default(EAD) and discounted recovery amount ; this is expressed as percentage of EAD.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

41.2 .e Grouping financial assets measured on a collective basis

The Group believes that the Joint Group Lending loans (JLG) have shared risk characteristics (i.e. homogeneous) while SHG loans and Individual loans (IL) have risk characteristics different from JLG loans. Therefore, JLG, SHG and IL are treated as three separate groups for the purpose of determining impairment allowance.

41.2 .f The Group's Loan book consists of a large number of customers spread over diverse geographical area, hence the Group is not exposed to concentration risk with respect to any particular customer.

41.2 .g Analysis of inputs to the ECL model under multiple economic scenarios

ECL estimates are subject to adjustment based on the output of macroeconomic model which incorporates forward looking assessment of the economic environment under which the Group operates in the form of Management overlay.

41.3 Capital

The Group actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI.

Capital management
The Group's objectives when managing capital are to
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• Maintain an optimal capital structure to reduce the cost of capital.
The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Group's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, operational, liquidity and interest rate.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

41.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Group may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Group's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Group continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of the Group. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the Group, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses.

Liquidity assessment as on March 31, 2023

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	611.49	633.88	704.10	2,303.14	3,945.00	7,199.74	686.31	-	**16,083.66**
Borrowings (other than debt securities)	135.06	79.47	61.56	221.04	264.46	905.73	289.82	-	**1,957.14**
Subordinated liabilities	6.42	6.86	8.18	24.26	53.96	97.25	12.94	-	**209.87**
Total	**752.97**	**720.21**	**773.84**	**2,548.44**	**4,263.42**	**8,202.72**	**989.07**	**-**	**18,250.67**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

Liquidity assessment as on March 31, 2022

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	145.26	39.04	88.52	166.71	213.09	929.32	-	-	**1,581.94**
Borrowings (other than debt securities)	609.87	575.76	597.91	2,168.79	3,285.20	5,082.17	171.98	-	**12,491.67**
Subordinated liabilities	1.66	1.72	2.54	5.99	19.45	105.16	69.00	166.98	**372.50**
Total	**756.79**	**616.52**	**688.98**	**2,341.49**	**3,517.75**	**6,116.65**	**240.98**	**166.98**	**14,446.11**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

41.5 Market Risk

41.5.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

41.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Group's financial condition. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for the Group.

In case of CAGL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans carried out. Only some of the liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Group's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2022-23	Effect on profit / loss and equity for the year 2021-22
Borrowings			
Increase in basis points	+ 25	(19.96)	(16.48)
Decrease in basis points	- 25	19.96	16.48

41.5.3 Currency risk

Group risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
	USD	USD	USD
Liability – External Commercial Borrowings	19,50,00,000	1,50,00,000	-
Assets – Cross Currency Interest rate Swap Contract	19,50,00,000	1,50,00,000	-

41.5.4 Hedging Policy

The Group's Hedging Policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationship where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and qualitative assessment of effectiveness is performed.

In respect of Interest rate swaps, there is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

Impact of hedge on the balance sheet ₹ in crore

Particulars	Year	Notional amount	Carrying amount of hedging instrument assets	Carrying amount of hedging instrument Liability
INR USD CCIRS	March 31, 2021	-	-	-
INR USD CCIRS	March 31, 2022	111.75	-	1.66
INR USD CCIRS	March 31, 2023	1,575.32	31.63	-

41.5.5 Changes in liabilities arising from financing activities

₹ in crore

Particulars	As at March 31,2022	Cash flows (Net)	Changes in fair value	Exchange difference	Others	As at March 31, 2023
Debt securities	1,418.10	256.34	-	-	(2.09)	1,672.35
Borrowings (other than debt securities)	11,424.85	3,123.33	-	-	13.81	14,562.00
Subordinated liabilities	77.74	(0.44)	-	-	0.61	77.91
Lease liabilities	85.00	(18.89)	-	-	12.40	78.51
Total liabilities from financing activities	**13,005.69**	**3,360.34**	-	-	**24.73**	**16,390.77**

₹ in crore

Particulars	As at March 31,2021	Cash flows (Net)	Changes in fair value	Exchange difference	Others	As at March 31, 2022
Debt securities	1,674.95	(257.19)	-	-	0.34	1,418.10
Borrowings (other than debt securities)	9,163.68	2,264.41	-	-	(3.24)	11,424.85
Subordinated liabilities	102.70	(25.00)	-	-	0.04	77.74
Lease liabilities	75.34	(18.36)	-	-	28.03	85.00
Total liabilities from financing activities	**11,016.67**	**1,963.86**	-	-	**25.16**	**13,005.69**

42 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2023 and March 31, 2022.

43 Amalgamation of Madhura Micro Finance Limited ("MMFL") with the Holding Company

(i) Madhura Micro Finance Limited ("MMFL") was subsidiary of the Holding Company and both the Companies are NBFCs MFI registered with RBI. The Board of directors of MMFL and the Holding Company had approved the scheme of amalgamation by way of merger by absorption ("Scheme") of MMFL (referred as "Transferor Company") with the Holding Company (referred as "Transferee Company") on November 27, 2019 effective from April 01, 2020 (Appointed date). The Scheme was also approved by the equity shareholders of both the Companies pending for subsequent approvals by the National Company Law Tribunal ('NCLT').

The Holding Company received order of amalgamation of MMFL (subsidiary of the Company) with CreditAccess Grameen Limited effective from April 1, 2020 from the Hon'ble 'NCLT', Chennai Bench vide its order dated October 12, 2022, and the Hon'ble NCLT Bengaluru Bench, vide its order dated February 07, 2023.

(ii) Pursuant to receipt of necessary orders from NCLT Bengaluru and Chennai sanctioning the scheme of amalgamation by way of merger by absorption of MMFL with the Holding Company, under Sections 230 to 232 of the Companies Act, 2013, the Scheme became effective on February 15, 2023. The Holding Company has accounted for the amalgamation on and from the Appointed date, i.e., April 1, 2020, as specified in Scheme.

Due to the aforesaid merger being effective from the Appointed date i.e. April 1, 2020, the Financial Statements of the Holding Company for the previous years have been recast/restated.

(iii) Break down of the total purchase consideration into net value of assets, liabilities and reserve transfer is as under:

₹ in crore

Particulars	Amount
I. Consideration paid for acquisition	**869.13**
Assets, Liabilities and Reserves transferred	
a. Assets acquired on appointed date	2,311.5
b. Liabilities transferred on appointed date	1,801.7
c. Reserves transferred on appointed date	60.52
d. Equity adjustment on account of subsequent acquisition before appointed date	3.33
e. Deferred tax adjustment post merger (refer note below 43 (iv))	40.84
II. Net Value (a-b-c+d)	**493.4**
III. Goodwill (II -I)	**375.68**

(iv) At the time of acquisition of MMFL, the Company recorded deferred tax liability in consolidated financial statements on Customer relationship of ₹ 40.84 Crore. After amalgamation of MMFL with the Holding Company, the company considers that Customer relationship assets are eligible for tax Depreciation from appointed date April 1, 2020. Hence, in accordance with the Indian Accounting Standard 12 'Income taxes', Holding Company has reversed the deferred tax liability on Customer relationship assets in the financial statements.

(v) Holding Company has considered the shares issued in amalgamation transaction while calculating basic and dilutive EPS for the year ended March 31, 2023 and March 31, 2022, as the appointed date was April 1, 2020. (Refer note 45)

44 Other Disclosures

(i) No Benami Property is held by the Group and/or there are no proceedings that have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

(iii) There were no delay in repayment of borrowings and Subordinated liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021.

(iv) There are no charges or satisfaction in relation to any debt / borrowings which are yet to be registered with ROC beyond the statutory period.

(v) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vi) Other than the transactions that are carried out as part of Company normal lending business:
A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year

(viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

(ix) Income tax Demand Notice
During the year, the Holding Company has received a demand notice for an amount of ₹ 122.63 crore pertaining to Income tax for AY 2018-19. The matter is mainly on the department's contention of excess consideration received by the Holding Company on conversion of Compulsorily Convertible Debentures (CCDs) into its equity shares. As per Holding Company's assessment, the probability of the liability devolving on the Company is remote and accordingly, the same is neither been provided for nor been considered as contingent liability.

(x) Analytical Ratios:

CreditAccess Grameen Limited for March 31, 2023 ₹ in crore

Ratios	Numerator	Denominator	Current period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital torisk-weightedassets ratio(CRAR)						
-Tier I CRAR	4,393.04	19,359.74	22.69%	25.87%	-12.28%	N/A
- Tier II CRAR	172.31	19,359.74	0.89%	0.67%	33.52%	#
Liquidity Coverage Ratio	583.31	289.57	201.44%	389.66%	-48.30%	$

increase in stage 1 provisioning %.
$ Same is Maintained higer then as per RBI mandate.

CreditAccess Grameen Limited for March 31, 2022 ₹ in crore

Ratios	Numerator	Denominator	Current period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital torisk-weightedassets ratio(CRAR)						
-Tier I CRAR	3,268.63	12,635.04	25.87%	30.50%	-15.19%	N/A
- Tier II CRAR	84.22	12,635.04	0.67%	1.25%	-46.67%	#
Liquidity Coverage Ratio	805.65	206.76	389.66%	135.39%	187.81%	##

Subordinated liabilities is fully paid during the current financial year.
Higher liquidity maintained during the March 31, 2022

CreditAccess Grameen Limited
Notes to the consolidated financial Statements for the year ended March 31, 2023

45 Earnings per share (EPS)

The following reflects the profit after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2023	March 31, 2022
Net profit after tax as per statement of profit and loss (₹ in crore)	826.06	353.07
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crore)	826.06	353.07
Weighted average number of equity shares in calculating basic EPS *	15,87,35,423	15,83,98,951
Stock options granted under ESOP	6,84,988	6,22,097
Weighted average number of equity shares in calculating dilutive EPS	15,94,20,412	15,90,21,047
Earnings per share	52.04	22.29
Dilutive earnings per share	51.82	22.20
Nominal value per share	10.00	10.00

*Company considered share issued in business combination transaction while calculating Basis and dilutive EPS for the year ended March 31, 2023 and March 31, 2022. (refer note 43).

46 Additional Information as required under Schedule III of Companies Act, 2013, of enterprises consolidated as subsdiary.

Particulars	March 31, 2023		March 31, 2022	
	Net assets, i.e total assets		Net assets, i.e total assets	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
Holding Company				
CreditAccess Grameen Limited	100.00%	21,858.06	100.00%	17,481.72
Subsidiary				
CreditAccess India Foundation	0.00%	0.09	0.00%	0.27
Consolidation adjustment	0.00%	-0.05	0.00%	-0.04
Total	**100.00%**	**21,858.10**	**100.00%**	**17,481.95**

Particulars	March 31, 2023			
	Share in profit or loss account		Share in total comprehensive	
	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated other comprehensive Income/(loss)	Amount (₹ in crore)
Holding Company				
CreditAccess Grameen Limited	100.00%	826.03	100.00%	8.41
Subsidiary				
CreditAccess India Foundation	0.00%	0.02	0.00%	-
Consolidation adjustment	0.00%	0.01	0.00%	-
Total	**100.00%**	**826.06**	**100.00%**	**8.41**

Particulars	March 31, 2022			
	Share in profit or loss account		Share in total comprehensive	
	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated other comprehensive Income/(loss)	Amount (₹ in crore)
Holding Company				
CreditAccess Grameen Limited	100.00%	353.08	100.00%	(85.36)
Subsidiary				
CreditAccess India Foundation	-0.01%	(0.02)	0.00%	-
Consolidation adjustment	0.00%	0.01	0.00%	-
Total	**100.00%**	**353.07**	**100.00%**	**(85.36)**

47 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

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Phone: 91-80-41317244

INDEPENDENT AUDITORS' REPORT

To The Members of CreditAccess Grameen Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **CreditAccess Grameen Limited** (the "Parent") and its subsidiary companies, (the Parent and its subsidiary companies together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary companies referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key Audit Matter</th><th>How the key audit matter was addressed in our Audit</th></tr>
<tr><td colspan="2">(a) Impairment of Loans (Expected Credit Losses)
(as described in note 6 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure as per the Board approved policy which is in line with Ind AS requirement and the relevant Reserve Bank of India's (RBI) regulations/circulars.

The recognition and measurement of impairment of loans involve significant management judgement. The Group's impairment allowance is derived from estimates including the historical default and loss ratios using criteria in accordance with Ind AS 109 and considering applicable RBI's regulations/ circulars. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans.

The relevant disclosures are made in financial statements for ECL including those relating to judgements and estimates by the Management in determination of the ECL. Refer note 6(A) note 6(B) and note 41.2 to the consolidated Ind AS financial statements.</td><td>Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate.

These procedures included, but not limited, to the following:

• We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Group;

• We obtained an understanding of the model adopted by the Group for calculation of expected credit losses including the appropriateness of the data on which the calculation is based;

• We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages;

• We tested, on samples basis, the input and historical data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records;

• We tested the arithmetical calculation of the workings of the expected credit losses;

• We evaluated that the Group's impairment allowance is derived in accordance with Ind AS 109 which also include considering the impact of RBI's regulations/ circulars;

• We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon. The Management Report is expected to be made available to us after the date of this auditors' report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary companies audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their financial statements audited by the other auditors.

- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of three subsidiary companies whose financial statements reflect total assets of Rs. 2,998.48 crore as at March 31, 2022, total revenues of Rs. 466.21 crore and net cash outflows amounting to Rs. 306.09 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

(b) The consolidated financial statements as at and for the year ended March 31, 2021, have been audited by the Deloitte Haskins & Sells, Chartered Accountants, one of the joint auditors of the Group, whose report dated May 06, 2021 expressed an unmodified opinion on those consolidated financial statements. Accordingly, we, PKF Sridhar & Santhanam LLP, Chartered Accountants do not express any opinion on the figures reported in the consolidated financial statements as at and for the year ended March 31, 2021.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / financial information of the subsidiary companies referred to in the Other Matters section above we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies;

iv) (a) The respective Managements of the Parent and its subsidiary companies , whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Parent and its subsidiary companies, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary companies, whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent has not declared or paid any dividend during the year and has not proposed final dividend for the year.

PKF SRIDHAR & SANTHANAM LLP BANGALORE

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKPF7213
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQIE7858
Place: Bengaluru
Date: May 12, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **CreditAccess Grameen Limited** (hereinafter referred to as the "Parent") and its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKPF7213
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQIE7858
Place: Bengaluru
Date: May 12, 2022

CreditAccess Grameen Limited
Consolidated Balance Sheet as at March 31, 2022

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	1,580.55	2,360.09
(b)	Bank balance other than cash and cash equivalents	5	180.84	124.29
(c)	Loans	6	14,765.33	11,720.48
(d)	Investments	7	0.54	0.54
(e)	Other financial assets	8	118.75	132.45
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	30	32.26	31.83
(b)	Deferred tax assets (net)	30	132.48	104.09
(c)	Property, plant and equipment	10 (A)	31.80	24.15
(d)	Right of use assets	10 (A)	74.76	67.50
(e)	Goodwill on consolidation		317.58	317.58
(f)	Intangible assets	10 (A)	146.65	163.54
(g)	Intangible assets under development	10 (B)	3.07	0.62
(h)	Other non-financial assets	9	10.14	13.07
	Total assets		**17,394.75**	**15,060.23**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	11	1.66	-
(b)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	12	40.46	42.65
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	218.56	159.04
(c)	Borrowings			
	- Debt securities	13	1,418.10	1,674.95
	- Borrowings (other than debt securities)	14	11,424.85	9,163.68
	- Subordinated liabilities	15	77.74	102.70
(d)	Other financial liabilities	16	87.44	82.94
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (Net)	30	5.12	0.99
(b)	Provisions	17	31.25	25.53
(c)	Other non-financial liabilities	18	13.52	11.37
(3)	**Equity**			
(a)	Equity share capital	19	155.87	155.58
(b)	Other equity	20	3,821.78	3,535.97
(c)	Non-controlling interests		98.40	104.83
	Total liabilities and equity		**17,394.75**	**15,060.23**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary

Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

CreditAccess Grameen Limited
Statement of consolidated profit and loss for the year ended March 31, 2022

₹ in crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Revenue from operations**			
(a)	Interest income	21	2,567.33	2,290.03
(b)	Fees and commission income	22	13.22	8.76
(c)	Net gain on fair value changes	23	87.84	132.90
(d)	Bad debts recovery		74.15	15.72
(e)	Others		0.28	13.59
	Total revenue from operations (I)		**2,742.82**	**2,461.00**
II	**Other income**	24	7.31	5.07
III	**Total income (I+II)**		**2,750.13**	**2,466.07**
IV	**Expenses**			
(a)	Finance costs	25	984.14	928.72
(b)	Fee and commission expense		2.96	3.01
(c)	Impairment on financial instruments	26	596.74	771.36
(d)	Employee benefit expenses	27	437.66	379.99
(e)	Depreciation and amortization expenses	28	47.23	44.07
(f)	Other expenses	29	200.61	158.52
	Total expenses (IV)		**2,269.34**	**2,285.67**
V	**Profit before tax (III-IV)**		**480.79**	**180.40**
VI	**Tax expense**	30		
	(1) Current tax		123.94	106.44
	(2) Deferred tax		(0.25)	(57.44)
	Total tax expense (VI)		**123.69**	**49.00**
VII	**Profit for the year (V-VI)**		**357.10**	**131.40**
VIII	**Other comprehensive income/ (loss)**			
(a)	(1) Items that will not be reclassified to profit or loss		0.71	0.17
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.18)	(0.04)
	Subtotal (a)		**0.53**	**0.13**
(b)	(1) Items that will be reclassified to profit or loss		(114.13)	42.93
	(2) Income tax relating to items that will be reclassified to profit or loss		28.24	(10.80)
	Subtotal (b)		**(85.89)**	**32.13**
	Other comprehensive income / (loss) (VIII = a+b)		**(85.36)**	**32.26**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income/(loss) for the year)**		**271.74**	**163.66**
X	**Profit/ (loss) attributable to:**			
	Owners of the Company		363.04	134.02
	Non-controlling interest		(5.94)	(2.62)
XI	**Other Comprehensive Income/(loss) attributable to:**			
	Owners of the Company		(85.42)	32.27
	Non-controlling interest		0.06	(0.01)
XII	**Total Comprehensive Income/(loss) attributable to:**			
	Owners of the Company		277.62	166.29
	Non-controlling interest		(5.88)	(2.63)
XIII	**Earnings per equity share (EPS) (face value of ₹10.00 each)**	48		
	Basic (in ₹)		23.31	8.96
	Diluted (in ₹)		23.22	8.90

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

For and on behalf of Board of Directors of CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary

Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

CreditAccess Grameen Limited
Statement of consolidated changes in equity for the year ended March 31, 2022

a) Equity share capital

(i) As at March 31, 2022
Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crore
Balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in equity share capital during the current year	2,84,306	0.29
Balance at the end of the Current reporting period (as at March 31, 2022)	**15,58,66,346**	**155.87**

(ii) As at March 31, 2021
Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crores
Balance at the beginning of the Previous reporting period (as at April 1, 2020)	**14,39,85,459**	**143.99**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the previous reporting period (as at April 1, 2020)	**14,39,85,459**	**143.99**
Changes in equity share capital during the previous year	1,15,96,581	11.60
Balance at the end of the previous reporting period (as at March 31, 2021)	**15,55,82,040**	**155.58**

b) Other equity

₹ in crore

Particulars	Reserve & Surplus					Debt instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedge	Total Other Equity (A)	Non Controlling interests (B)	Total (A)+(B)
	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve (Refer Note 20.2)	Securities premium	Share options outstanding account	Retained earnings					
As at March 31, 2020	**265.61**	**49.95**	**1,483.59**	**8.61**	**818.54**	**(36.07)**	**-**	**2,590.23**	**108.95**	**2,699.18**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2020	**265.61**	**49.95**	**1,483.59**	**8.61**	**818.54**	**(36.07)**	**-**	**2,590.23**	**108.95**	**2,699.18**
Profit for the year	-	-	-	-	134.04	-	-	134.04	(2.63)	131.40
Other comprehensive income	-	-	-	-	0.13	32.13	-	32.26	-	32.26
Premium on equity shares issued during the year	-	-	788.68	-	-	-	-	788.68	-	788.68
Premium on exercise of stock options	-	-	4.39	(2.05)	-	-	-	2.34	-	2.34
Transferred to statutory reserves	28.48	-	-	-	(28.48)	-	-	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	(13.53)	-	-	-	-	(13.53)	-	(13.53)
Employee stock option compensation for the year	-	-	-	1.96	-	-	-	1.96	-	1.96
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	-	-	-	-	(1.49)	(1.49)
As at March 31, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**924.22**	**(3.94)**	**-**	**3,535.97**	**104.83**	**3,640.80**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**924.22**	**(3.94)**	**-**	**3,535.97**	**104.83**	**3,640.80**
Profit for the year	-	-	-	-	363.04	-	-	363.04	(5.94)	357.10
Other comprehensive income/(loss) (net of tax)	-	-	-	-	0.47	(86.28)	0.39	(85.42)	0.06	(85.36)
Premium on exercise of stock options	-	-	4.99	(2.25)	-	-	-	2.74	-	2.74
Transferred to statutory reserves	76.43	-	-	-	(76.43)	-	-	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	-	-	-	-	-	-	-	-
Employee stock option compensation for the year	-	-	-	5.45	-	-	-	5.45	-	5.45
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	-	-	-	-	(0.55)	(0.55)
As at March 31, 2022	**370.52**	**49.95**	**2,268.12**	**11.72**	**1,211.30**	**(90.22)**	**0.39**	**3,821.78**	**98.40**	**3,920.18**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

CreditAccess Grameen Limited
Statement of consolidated cash flows for the year ended March 31, 2022

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Cash flow from operating activities:		
Profit before tax	480.79	180.40
Adjustments for:		
Interest income on loans	(2,533.54)	(2,264.41)
Interest on deposits with banks and financial institutions	(33.73)	(25.62)
Depreciation and amortisation expenses	47.23	44.07
Finance costs	984.14	928.72
Impairment on financial instruments	596.74	771.36
Net gain on financial instruments at fair value through profit or loss	(17.86)	(20.01)
Gain on derecognition of loans designated at FVTOCI	(69.98)	(112.89)
Dividend Income	(0.28)	-
Other Income	-	(9.68)
Share based payments to employees	5.45	1.96
Provision for other assets	1.59	0.20
	(1,020.24)	**(686.30)**
Operational cash flows from interest:		
Interest income on loans	2,551.96	2,235.18
Finance costs	(976.10)	(896.09)
Working capital changes:		
(Increase) in loans	(3,775.40)	(1,311.08)
Decrease in other receivables	-	0.22
Decrease in other financial assets	81.78	39.18
Decrease/ (Increase) in other non-financial assets	3.00	(2.98)
Increase in trade and other payables	57.31	94.17
Increase in other financial liabilities	(5.69)	2.31
(Decrease)/ Increase in provisions	6.43	5.39
Increase in other non-financial liabilities	2.14	0.15
	(3,630.43)	**(1,172.64)**
Income tax paid (net of refunds)	(120.32)	(115.22)
Net cash flows (used in) operating activities (A)	**(2,714.34)**	**(454.67)**
Cash flow from investing activities:		
Purchase of property, plant and equipment	(20.16)	(4.74)
Proceeds from sale of property, plant and equipment	0.13	0.46
Purchase of Intangible assets and expenditure on Intangible assets under development	(7.70)	(9.82)
Interest on deposits with banks and financial institutions	33.73	25.62
Decrease / (increase) in bank balance other than cash and cash equivalents	(56.55)	(51.52)
Purchase of investments	(7,348.70)	(8,206.90)
Sale of investments	7,366.56	8,271.92
Dividend Income	0.28	-
Investment in equity shares	(0.55)	(1.49)
Net cash flows (used in)/ from investing activities (B)	**(32.96)**	**23.53**
Cash flow from financing activities:		
Debt securities issued/(repaid) (net)	(257.19)	853.42
Borrowings other than debt securities issued (net)	2,273.56	522.19
Subordinated liabilities repaid (net)	(25.00)	-
Payment of lease liability (net)	(26.64)	(18.33)
Proceeds from issuance of equity share capital including securities premium	-	799.99
Proceeds from the employee stock options	3.03	2.62
Expenses incurred towards issuance of equity shares	-	(13.53)
Net cash flows from financing activities (C)	**1,967.76**	**2,146.36**
Net (decrease)/ increase in cash and cash equivalents	**(779.54)**	**1,715.22**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	2,360.09	644.87
Cash and cash equivalents as at the end of the year (Refer Note 4)	**1,580.55**	**2,360.09**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal &
Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

1. Corporate information

CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) ('the Holding Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from September 5, 2013. The Company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE').The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B- 02.00252) located at New No. 49 (Old No. 725), 46th Cross,8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India.

The Holding Company along with its subsidiaries (the "Group") is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG') or Self Help Groups ('SHG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members. The financial statements of the Holding Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 12, 2022.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated. These consolidated financial statements have been prepared on a going concern basis.

2.1. Presentation of consolidated financial statements

The Group presents its balance sheet in order of liquidity.

The Group generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

Details of Companies Consolidated in these consolidated financial statements:

Name of the Company	Type	Country of Incorporation	Holding as at March 31, 2022	Holding as at March 31, 2021
CreditAccess Grameen Limited	Holding Company	India	Holding Company	Holding Company
CreditAccess India Foundation	Subsidiary Company	India	99.99%	-
Madura Micro Finance Limited	Subsidiary Company	India	76.32%	76.25%

2.2. Critical accounting estimates and judgements

The preparation of the Group's financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment (Refer Note no. 3.14)
- Fair value of financial instruments (Refer Note no. 3.18)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no. 3.15)
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)
- Hedge accounting (Refer Note no. 3.17)

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiary, being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

1. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
2. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.
3. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
4. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
5. The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
6. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

3.1.1 Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

3.1.2 Interest on financial assets at fair value through profit and loss (FVTPL) is recognised in accordance with the contractual terms of the instrument.

3.1.3 The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

3.1.4 The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.1.5 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.6 Dividend Income

Dividend income is recognised when the right to receive payment is established.

3.2 Finance cost

Borrowing cost on financial liabilities including towards securitisation transactions not derecognised by the Group are recognised by applying the EIR.

3.3 Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to cash with an insignificant risk of changes in value.

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6 Depreciation and amortization

3.6.1 Depreciation

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated, the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

Property, plant and equipment costing less then ₹ 5000 per unit are fully depreciated in the year of purchase.

3.6.2 Amortisation of intangible assets and Impairment of Goodwill

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. Customer relationship is amortised over the 10 years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.7 Impairment of non–financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3 Other employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11 Taxes

3.11.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 38.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the “Share options outstanding account” in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1 Financial Assets

3.14.1.1. Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management’s intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2. Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3. Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:
(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4. Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5. Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

3.14.2 Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset
Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Group has transferred substantially all the risks and rewards of the asset
or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 41.

Accordingly, the Group groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 41). The Group records an allowance for the LTECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Group calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Hedge accounting

The Group enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Group does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

Here, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as ‘hedging reserve’.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item.

The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.18 Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Group.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
• Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
• Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 - Unobservable inputs for the asset or liability.

3.19 Segment information

The Group operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Group operates in a single geographical segment i.e. domestic.

3.20 Business combination

3.20.1 Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

3.20.2 Other business combinations

The Group uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.21 Foreign currency

3.21.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.21.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.21.3 Exchange differences arising on the settlement of monetary items or on the restatement of Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.22 Leases (where the Group is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for office premises and servers. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

3.23 Investments

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Group irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI). All other investments are classified and measured as FVTPL only.

3.24.1 Key New and amended standards adopted by the Company

(a) Interest rate Benchment reform-Amendments to Ind AS 107 and Ind AS 109;
The Ministry of Corporate Affairs had earlier notified amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which were effective from April 1, 2020 (the Phase 1 amendments). Those amendments provided temporary reliefs from applying specific hedge accounting requirements to relationships affected by IBOR reform.

The amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which are effective from April 1, 2021 (the Phase 2 amendments) address the issues that arise during the reform of an interest rate benchmark rate, Including the replacement of one benchmark rate with an alternative one.

The key reliefs provided by the Phase 2 amendments are as follows:

* Changes to contractual cash flows

When changing the basis for determining contractual cash flows for financial asset and labilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in profit and loss.

*Hedge accounting
The hedge accounting reliefs will allow most Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

(b) Covid-19- related rent concessions- Amendments to Ind AS 116;
As a result of the COVID-19 pandemic, rent concessions have been granted to lessees Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Previously,an amendment to Ind AS 116, Leases provided lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied as well as the amount recognised in profit or loss arising from the rent concessions, The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021 However, it was subsequently extended to 30 June 2022.

None of these amendments has any material effect on the Group's financial statements.

3.24.2 Key Amendements applicable from next Financial year

(a) Ind AS 16, Property Plant and Equipment; Proceeds before intended use of property, plant and equipment
The amendment clarifies that an entity shall not deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

(b) Ind AS 37, Provisions, contingent Liabilities and contingent Assets; Onerous contracts - Cost of fulfilling a contract
The amendment explains that the cost of fulfilling a contract comprises; the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(c) Ind AS 109, Financial instruments; Fees Included in the 10% test for derecognition of financial Liabilities.
The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, Including fees paid or received by either the entity or the lender on the other's behalf.

The Group does not expect any of these amendments to have any material effect on the financial statements.

4 Cash and cash equivalents ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Cash in hand	7.58	8.24
Balances with Banks in current accounts	100.40	217.03
Bank deposit with maturity of less than 3 months	1,472.57	2,134.82
Total	**1,580.55**	**2,360.09**

5 Bank balance other than cash and cash equivalents ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Fixed deposit with bank not considered as cash and cash equivalents*	180.84	124.29
Total	**180.84**	**124.29**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Loans ₹ in crore

Particulars	March 31,2022			March 31, 2021		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Group lending **	3,547.06	11,555.32	15,102.38	2,650.95	9,275.37	11,926.32
Individual loans	196.81	-	196.81	416.79	-	416.79
Total - Gross	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(B) (a) Secured by tangible assets	9.24	-	9.24	6.34	-	6.34
(b) Unsecured	3,734.63	11,555.32	15,289.95	3,061.40	9,275.37	12,336.77
Total - Gross	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
				-	-	0.01
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	3,743.87	11,555.32	15,299.19	3,067.74	9,275.37	12,343.11
Total - Gross	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(D) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-

*Includes fair value of loans designated at FVOCI.

** Group Lending includes both Joint Liability Loans and Self Help Group Loans

6(A) Group lending loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances (including loans measured at FVTOCI) in relation to Group lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2021	**11,200.06**	**210.24**	**516.02**	**11,926.32**
(a) New assets originated or purchased	15,399.29	-	-	15,399.29
(b) Asset derecognised or repaid (Excluding write offs) #	(10,573.38)	(574.38)	(424.64)	(11,572.40)
Assets written off during the year	-	-	(650.83)	(650.83)
Movement between stages				
Transfer from Stage 1	(2,153.68)	1,474.02	679.66	-
Transfer from Stage 2	468.10	(1,003.41)	535.31	-
Transfer from Stage 3	62.35	74.20	(136.55)	-
Gross carrying value of assets as at 31st March 2022	**14,402.74**	**180.67**	**518.97**	**15,102.38**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2021	**182.03**	**41.92**	**347.54**	**571.49**
(a) New assets originated or purchased	110.80	-	-	110.80
(b) Asset derecognised or repaid (Excluding write offs) #	(127.63)	(139.93)	(287.71)	(555.27)
Assets written off during the year	-	-	(650.83)	(650.83)
Movement between stages				
Transfer from Stage 1	(15.28)	10.15	5.13	-
Transfer from Stage 2	200.07	(411.00)	210.93	-
Transfer from Stage 3	46.76	55.66	(102.42)	-
Impact on ECL on account of movement between stages	(283.15)	496.59	801.91	1,015.35
ECL allowance as at 31st March 2022 *	**113.60**	**53.39**	**324.55**	**491.54**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 309.26 crores

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2020	**10,681.17**	**59.77**	**164.04**	**10,904.98**
(a) New assets originated or purchased	9,659.05	-	-	**9,659.05**
(b) Asset derecognised or repaid (Excluding write offs) #	(7,715.11)	(339.09)	(149.74)	**(8,203.94)**
Assets written off during the year	-	-	(433.77)	**(433.77)**
Movement between stages				
Transfer from Stage 1	(1,527.79)	1,195.07	332.72	-
Transfer from Stage 2	91.34	(709.75)	618.41	-
Transfer from Stage 3	11.40	4.24	(15.64)	-
Gross carrying value of assets as at 31st March 2021	**11,200.06**	**210.24**	**516.02**	**11,926.32**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2020	**162.08**	**17.48**	**118.13**	**297.69**
(a) New assets originated or purchased	66.10	-	-	**66.10**
(b) Asset derecognised or repaid (Excluding write offs) #	(52.25)	(143.28)	(111.00)	**(306.53)**
Assets written off during the year	-	-	(433.77)	**(433.77)**
Movement between stages				
Transfer from Stage 1	(11.37)	8.44	2.93	**-**
Transfer from Stage 2	39.13	(298.97)	259.84	**-**
Transfer from Stage 3	8.54	3.17	(11.71)	**-**
Impact on ECL on account of movement between stages	(30.20)	455.08	523.12	**948.00**
ECL allowance as at 31st March 2021*	**182.03**	**41.92**	**347.54**	**571.49**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 382.04 crores

6(B) Individual lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2021	371.50	12.63	32.67	416.79
(a) New assets originated or purchased	72.81	-	-	72.81
(b) Asset derecognised or repaid (Excluding write offs) #	(228.63)	(19.22)	(10.24)	(258.09)
Assets written off during the year	-	-	(34.71)	(34.71)
Movement between stages				
Transfer from Stage 1	(84.58)	77.88	6.70	-
Transfer from Stage 2	20.34	(75.98)	55.64	-
Transfer from Stage 3	0.55	9.83	(10.38)	-
Gross carrying value of assets as at 31st March 2022	**151.99**	**5.14**	**39.68**	**196.81**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2021	**12.41**	**6.17**	**32.57**	**51.15**
(a) New assets originated or purchased	1.47	-	-	1.47
(b) Asset derecognised or repaid (Excluding write offs) #	(6.14)	(9.34)	(9.59)	(25.07)
Assets written off during the year			(34.70)	(34.70)
Movement between stages				
Transfer from Stage 1	(1.67)	1.53	0.14	-
Transfer from Stage 2	10.16	(37.42)	27.26	-
Transfer from Stage 3	0.56	9.83	(10.39)	-
Impact on ECL on account of movement between stages	(13.75)	31.76	31.46	49.47
ECL allowance as at 31st March 2022	**3.04**	**2.53**	**36.75**	**42.32**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2020	490.89	5.66	9.76	506.31
(a) New assets originated or purchased	192.83	-	-	192.83
(b) Asset derecognised or repaid (Excluding write offs) #	(243.90)	(6.12)	(5.02)	(255.04)
Assets written off during the year	-	-	(27.30)	(27.30)
Movement between stages				
Transfer from Stage 1	(69.87)	35.37	34.50	-
Transfer from Stage 2	1.39	(22.36)	20.97	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Gross carrying value of assets as at 31st March 2021	**371.50**	**12.63**	**32.67**	**416.79**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2020	**1.86**	**2.97**	**9.86**	**14.69**
				-
(a) New assets originated or purchased	3.86	-	-	**3.86**
(b) Asset derecognised or repaid (Excluding write offs) #	(4.83)	(3.08)	(4.98)	**(12.89)**
Assets written off during the year			(27.30)	**(27.30)**
Movement between stages				
Transfer from Stage 1	(1.86)	0.70	1.16	**-**
Transfer from Stage 2	0.69	(11.19)	10.50	**-**
Transfer from Stage 3	0.16	0.08	(0.24)	**-**
Impact on ECL on account of movement between stages	12.53	16.69	43.57	**72.79**
ECL allowance as at 31st March 2021	**12.41**	**6.17**	**32.57**	**51.15**

Represents balancing figure.

7 Investments*

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Investments in fully paid equity shares		
A) unquoted		
At fair value through profit and loss		
(a) Alpha Microfinance Consultants Private Ltd	0.54	0.54
Total	**0.54**	**0.54**

* All Investment in Note 7 above are within India.

8 Other financial assets

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Receivable from assignment of portfolio (unsecured, considered good)	78.67	105.47
Security deposits (unsecured, considered good)*	12.95	11.73
Loans and advances to employees (unsecured, considered good)	15.20	8.02
Other financial assets		
Unsecured, considered good	11.93	7.23
Unsecured, considered doubtful	1.53	0.39
Less: Provision for doubtful advances	(1.53)	(0.39)
Others	-	-
Total	**118.75**	**132.45**

* Includes an amount of ₹ 0.06 crore (Previous year ₹ 0.06 crore) paid under protest towards PF Notice (Refer Note.34)

9 Other non-financial assets

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Prepaid expenses	7.41	5.46
Advances to employees	0.23	0.15
Capital Advance	-	1.17
Other advances		
Unsecured, considered good	2.50	6.29
Unsecured, considered doubtful	1.21	0.98
Less: Provision for doubtful advances	(1.21)	(0.98)
Total	**10.14**	**13.07**

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2022

₹ in crore

10 (A)

Particulars	Property, plant and equipment								Total	Right of use assets		Total	Intangible assets		
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Freehold land	Buildings		Buildings	Computer		Computer software	Customer relationship	Total
Cost:															
At March 31, 2020	15.85	0.93	10.64	9.30	17.45	0.62	0.17	0.21	**55.17**	24.23	37.85	**62.08**	21.94	162.82	**184.76**
Additions	2.15	0.03	0.13	0.10	1.17	0.01	-	-	**3.59**	0.31	24.88	**25.19**	12.02	-	**12.02**
Disposals	(0.56)	(0.05)	(0.20)	(0.16)	(0.63)	-	-	-	**(1.60)**	(0.11)	-	**(0.11)**	(0.24)	-	**(0.24)**
At March 31, 2021	**17.44**	**0.91**	**10.57**	**9.24**	**17.99**	**0.63**	**0.17**	**0.21**	**57.16**	**24.43**	**62.73**	**87.16**	**33.72**	**162.82**	**196.54**
Additions	4.48	0.19	3.19	0.68	5.75	0.25	5.64	-	**20.18**	0.88	19.06	**19.94**	5.25	-	**5.25**
Disposals	(0.66)	(0.02)	(0.06)	-	(0.54)	-	-	-	**(1.28)**	(1.06)	-	**(1.06)**	-	-	**-**
At March 31, 2022	**21.26**	**1.08**	**13.70**	**9.92**	**23.20**	**0.88**	**5.81**	**0.21**	**76.06**	**24.25**	**81.79**	**106.04**	**38.97**	**162.82**	**201.79**
Depreciation/Amortisation:															
At March 31, 2020	7.27	0.71	5.61	3.91	5.58	0.40	0.00	-	**23.48**	3.82	3.66	**7.48**	11.55	0.58	**12.13**
Depreciation/Amortisation charge for the year	4.68	0.05	0.69	1.51	3.68	0.07	-	0.01	**10.69**	4.43	7.83	**12.26**	4.75	16.37	**21.12**
Disposals	(0.30)	(0.05)	(0.19)	(0.16)	(0.46)	-	-	-	**(1.16)**	(0.08)	-	**(0.08)**	(0.25)	-	**(0.25)**
At March 31, 2021	**11.65**	**0.71**	**6.11**	**5.26**	**8.80**	**0.47**	**0.00**	**0.01**	**33.00**	**8.17**	**11.49**	**19.66**	**16.05**	**16.95**	**33.00**
Depreciation/Amortisation charge for the year	4.40	0.20	2.02	1.42	4.28	0.08	-	0.01	**12.41**	4.78	7.90	**12.68**	5.77	16.37	**22.14**
Disposals	(0.65)	(0.01)	(0.05)	-	(0.45)	-	-	-	**(1.16)**	(1.06)	-	**(1.06)**	-	-	**-**
At March 31, 2022	**15.40**	**0.90**	**8.08**	**6.68**	**12.63**	**0.55**	**0.00**	**0.02**	**44.25**	**11.89**	**19.39**	**31.28**	**21.82**	**33.32**	**55.14**
Net book value:															
At March 31, 2020	**8.58**	**0.21**	**5.02**	**5.39**	**11.87**	**0.23**	**0.17**	**0.21**	**31.69**	**20.41**	**34.19**	**54.60**	**10.39**	**162.24**	**172.63**
At March 31, 2021	**5.79**	**0.20**	**4.46**	**3.98**	**9.19**	**0.16**	**0.17**	**0.20**	**24.16**	**16.26**	**51.24**	**67.50**	**17.67**	**145.87**	**163.54**
At March 31, 2022	**5.86**	**0.18**	**5.62**	**3.24**	**10.57**	**0.33**	**5.81**	**0.19**	**31.81**	**12.36**	**62.40**	**74.76**	**17.15**	**129.50**	**146.65**

Note: The land and building is under mortgage as additional security for debentures listed.

10 (B) **(a) Intangible assets under development**

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Opening	0.62	2.84
Additions during the year	3.84	2.00
Less: Capitalised during the year	(1.39)	(4.22)
Closing	**3.07**	**0.62**

(b) (i) Intangible assets under development aging schedule as at 31 March 2022*

Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**2.64**	**0.43**	-	-

*There were no Project which is temporarily suspended as at March 31, 2022.

(b) (ii) Intangible assets under development aging schedule as at 31 March 2021*

Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**0.62**	-	-	-

*There were no Project which is temporarily suspended as at March 31, 2021.

11 Derivative financial instruments

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Part I		
(i) Cross currency interest rate swap derivatives: #		
Fair value liability		
Cross currency interest rate swaps	1.66	-
Total	**1.66**	**-**
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
(i) Cash flow hedging:		
Fair value liability		
Cross currency interest rate swaps	1.66	-
Total	**1.66**	**-**

Notional amounts of Cross currency interest rate swaps of ₹ 111.75 crore.

12 Payables

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	40.46	42.65
Total	**40.46**	**42.65**
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	218.56	159.04
Total	**218.56**	**159.04**
Total Payable	**259.02**	**201.69**

Note:

(A) Dues to micro enterprises and small enterprises:

Particulars	March 31, 2022	March 31, 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
(ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

(B) Trade Payables aging schedule*

(i) As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	**-**	**-**	**-**	**-**	**-**
(ii) Others	**40.42**	**0.04**	**-**	**-**	**40.46**

*There were no Disputed payable as at March 31, 2022.

(ii) As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	**-**	**-**	**-**	**-**	**-**
(ii) Others	**42.65**	**-**	**-**	**-**	**42.65**

*There were no Disputed payable as at March 31, 2021.

13 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Debentures (secured)	1,418.10	1,659.94
Debentures (unsecured)	-	15.01
Total	**1,418.10**	**1,674.95**
Debt securities in India	1,418.10	1,674.95
Debt securities outside India	-	-
Total	**1,418.10**	**1,674.95**
Nature of security The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Group.		

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.50	19.48
11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.49	19.47
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. February 27, 2020.	800	800	10,00,000	80.52	80.33
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	10,00,000	100.94	100.95
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	459	905	10,00,000	47.39	93.19
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	10,00,000	220.19	219.39
10.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Four months from the date of allotment i.e. June 29, 2020.	725	1,208	10,00,000	74.29	123.74
9.81% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thity Six Months from the date of allotment i.e. July 31, 2020.	167	250	10,00,000	16.89	25.31
10.00% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. June 26, 2020.	500	500	10,00,000	53.62	53.52
10.05% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. July 3, 2020.	300	300	10,00,000	32.15	32.10
9.95% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Four Months from the date of allotment i.e. July 27, 2020.	1,000	1,000	10,00,000	106.64	106.57
10.20% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	170	170	10,00,000	16.97	16.94
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	500	10,00,000	-	52.84
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	360	10,00,000	-	37.98
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	500	10,00,000	-	49.93
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	500	10,00,000	-	49.97
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	1,000	1,000	10,00,000	104.04	103.73

Debentures (secured) (at amortised cost) (continued)

9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	250	250	10,00,000	25.88	25.80
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	250	1,000	10,00,000	25.12	100.35
9.00% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Two years from the date of allotment i.e. March 25, 2021.	500	500	10,00,000	54.13	49.55
10.42% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. March 31, 2021.	1,450	1,450	10,00,000	144.93	144.90
8.56% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Two years and Five days from the date of allotment i.e. August 31, 2021.	1,000	-	10,00,000	104.11	-
9.90% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years and Fifteen days from the date of allotment i.e. April 30, 2021.	710	-	10,00,000	70.92	-
9.70% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. March 11, 2022.	552	-	10,00,000	55.09	-
10.11% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 30-Jun-2022, redeembale in four equal installments on 04-Oct-2021, 31-Dec-2021, 31-Mar-2022 and balance to be redeemed on 30-Jun-2022	250	250	10,00,000	6.25	25.00
10.50% Non-convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures. The NCD is redeemable in one bullet payment redeemed on 17-Feb-2022	-	500	10,00,000	-	53.26
11.00% Non-Convertible Debentures - Privately placed, unlisted Secured by exclusive charge on the loans created out of the proceeds of the debentures and immovable properties. 99.99% of the principal amount of the NCD is redeemable on 13-May-2021 and balance on 13-May-2023 **	-	360	10,00,000	-	37.46
9.80% Non-convertible Debentures - Privately placed, Unlisted. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 23-Apr-2024, with 99.99% redeemable on 22-Apr-2022 and balance to be redeemed on 23-Apr-2024.	3,750	3,750	1,00,000	38.57	38.12
Total *	**17,363**	**19,583**		**1,417.63**	**1,659.88**

* The above excludes the impact of fair valuation of debt securities on acquisition.
** The balance 0.01% was prepaid on January 31, 2022

Debentures (unsecured) at amortised cost

Terms of debentures	Number of debentures		Face value (in Rs)	Amount (₹ in crores)	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
13.00% Non-Convertible Debentures - Privately placed, listed, unsecured .The NCD is redeemable on 16-Aug-2021.	-	150	10,00,000	-	15.01

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

Terms of repayment of borrowings as on March 31, 2022

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Monthly	Above 3 years	9.50%-10.00%	1	37.50	-	-	-	-	-	-	-	-	-	-	37.50
	Quarterly	1-3 years	9%-9.5%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
			10%-10.5%	1	6.25	-	-	-	-	-	-	-	-	-	-	6.25
	Half Yearly	1-3 years	10.5%-11%	2	48.33	1	24.17	-	-	-	-	-	-	-	-	72.50
		Above 3 years	9.5%-10%	-	-	2	107.00	2	107.00	-	-	-	-	-	-	214.00
	Bullet	1-3 years	8.5%-9%	-	-	1	100.00	-	-	-	-	-	-	-	-	100.00
			9%-9.5%	3	175.00	-	-	-	-	-	-	-	-	-	-	175.00
			9.5%-10%	1	8.33	2	108.34	-	-	-	-	-	-	-	-	116.67
			10%-10.5%	-	-	2	80.00	-	-	-	-	-	-	-	-	80.00
		Above 3 years	9.5%-10%	-	-	-	-	2	126.20	-	-	-	-	-	-	126.20
			10%-10.5%	1	17.00	1	145.00	-	-	-	-	-	-	-	-	162.00
			11%-11.5%	1	80.00	1	19.50	-	-	-	-	-	-	-	-	99.50
			11.5%-12%	1	100.00	1	19.50	-	-	-	-	-	-	-	-	119.50
			14%-14.5%	-	-	1	50.00	-	-	-	-	-	-	-	-	50.00
	Annually	Above 3 years	10%-10.5%	1	45.90	-	-	-	-	-	-	-	-	-	-	45.90
Term loan banks	Monthly	1-3 years	5.5%-6.0%	9	16.88	-	-	-	-	-	-	-	-	-	-	16.88
			6.5%-7.0%	24	27.27	9	10.45	-	-	-	-	-	-	-	-	37.73
			7%-7.5%	56	183.42	46	138.86	11	26.47	-	-	-	-	-	-	348.75
			7.5%-8.0%	591	1,720.29	299	959.59	20	180.00	-	-	-	-	-	-	2,859.87
			8%-8.5%	285	713.72	197	554.13	62	175.10	-	-	-	-	-	-	1,442.96
			8.5%-9%	412	954.95	250	398.92	4	10.38	-	-	-	-	-	-	1,364.24
			9%-9.5%	212	472.63	107	245.00	7	11.88	-	-	-	-	-	-	729.51
			9.5%-10%	21	19.24	12	8.53	-	-	-	-	-	-	-	-	27.77
			10%-10.5%	26	46.75	-	-	-	-	-	-	-	-	-	-	46.75
			11%-11.5%	19	30.33	-	-	-	-	-	-	-	-	-	-	30.33
		Above 3 years	7%-7.5%	36	66.67	36	66.67	26	52.78	-	-	-	-	-	-	186.12
			7.5%-8.0%	24	33.33	24	33.33	16	22.22	-	-	-	-	-	-	88.89
			8%-8.5%	105	259.70	77	96.44	52	43.91	-	-	-	-	-	-	400.05
			8.5%- 9%	15	5.90	5	1.42	-	-	-	-	-	-	-	-	7.33
			9%-9.5%	24	4.45	18	3.13	12	1.25	12	1.37	5	0.63	-	-	10.84
			9.5%- 10%	12	18.22	-	-	-	-	-	-	-	-	-	-	18.22
			10%-10.5%	35	30.28	7	9.69	-	-	-	-	-	-	-	-	39.97
			10.5%-11%	15	34.57	-	-	-	-	-	-	-	-	-	-	34.57
	Quarterly	1-3 years	7.5%-7.75%	3	60.00	4	80.00	3	60.00	-	-	-	-	-	-	200.00
			8%-8.5%	4	50.00	3	37.50	-	-	-	-	-	-	-	-	87.50
			8.5%-9%	8	71.43	4	36.36	5	45.45	-	-	-	-	-	-	153.25
			9%-9.5%	12	27.05	8	14.55	3	5.45	-	-	-	-	-	-	47.05
		Above 3 years	6.5%-7.0%	4	20.00	4	20.00	4	20.00	-	-	-	-	-	-	60.00
			8.5%-9%	3	6.82	4	9.09	4	9.09	-	-	-	-	-	-	25.00
			9%-9.5%	6	54.55	8	72.73	8	72.73	-	-	-	-	-	-	200.00
	Half Yearly	1-3 years	9.5%-10%	2	20.00	2	20.00	-	-	-	-	-	-	-	-	40.00
	Bullet	1-3 years	7.5%-8.0%	3	82.50	1	27.50	-	-	-	-	-	-	-	-	110.00
			8.5%-9%	4	90.00	-	-	-	-	-	-	-	-	-	-	90.00

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2022

Terms of repayment of borrowings as on March 31, 2022 ₹ in crore

Term loan from financial institutions	**Monthly**	**1-3 years**	6%-6.5%	24	108.50	-	-	-	-	-	-	-	-	-	-	108.50
		1-3 years	9.5%-10%	18	33.33	24	40.00	18	26.67	-	-	-	-	-	-	100.00
	Quarterly	**Above 3 years**	9%-9.5%	4	28.00	4	28.00	4	8.00	4	8.00	-	-	-	-	72.00
			9.5%-10%	8	140.80	8	117.20	8	91.00	8	47.20	5	32.60	-	-	428.80
			11.5%-12%	4	12.25	4	2.50	3	1.50	-	-	-	-	-	-	16.25
	Half Yearly	**1-3 years**	7%-7.5%	3	216.00	-	-	-	-	-	-	-	-	-	-	216.00
			10.5%-11%	2	82.49	-	-	-	-	-	-	-	-	-	-	82.49
		Above 3 years	10.5%-11%	8	12.30	-	-	-	-	-	-	-	-	-	-	12.30
			11.5%-12%	18	331.90	16	409.15	6	180.00	-	-	-	-	-	-	921.05
	Bullet	**1-3 years**	7%-7.5%	2	65.00	-	-	-	-	-	-	-	-	-	-	65.00
Term loan from non-banking financial companies	**Monthly**	**1-3 years**	8.5%-9%	32	76.96	16	42.06	12	37.71	-	-	-	-	-	-	156.74
			9%-9.5%	36	29.09	20	15.76	1	0.76	-	-	-	-	-	-	45.61
			9.5%-10%	16	25.82	4	15.33	-	-	-	-	-	-	-	-	41.16
			10%-10.5%	46	65.93	-	-	-	-	-	-	-	-	-	-	65.93
			11%-11.5%	3	4.21	-	-	-	-	-	-	-	-	-	-	4.21
		Above 3 years	9%-9.5%	36	42.56	36	44.05	26	27.85	-	-	-	-	-	-	114.45
	Quarterly	**1-3 years**	9%-9.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	25.00
			10%-10.5%	4	8.33	4	8.33	-	-	-	-	-	-	-	-	16.67
			11.5%-12%	3	4.07	-	-	-	-	-	-	-	-	-	-	4.07
External commercial borrowings	**Half Yearly**	**Above 3 years**	10%-10.5%	-	-	-	-	2	44.70	2	44.70	1	22.35	-	-	111.75
	Bullet	**1-3 years**	11%-11.5%	1	93.44	-	-	-	-	-	-	-	-	-	-	93.44
Sub-debt	**Bullet**	**Above 3 years**	14.5%-15%	-	-	-	-	-	-	-	-	1	12.50	1	12.50	25.00
Grand Total				**2,254.00**	**7,016.10**	**1,277.00**	**4,228.11**	**325.00**	**1,396.43**	**26.00**	**101.27**	**12.00**	**68.08**	**1.00**	**12.50**	**12,860.00**

Note: The above amount pertains to the principal outstanding only.

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2022

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	10% - 10.5%	3	18.75	1	6.25	-	-	-	-	-	-	-	-	25.00
			9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	1	50.00	-	-	2	80.00	-	-	-	-	-	-	130.00
			12.5% - 13%	1	15.00	-	-	-	-	-	-	-	-	-	-	15.00
		Above 3 years	9.5% - 10%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
			10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			10.5% - 11%	2	36.00	-	-	-	-	-	-	-	-	-	-	36.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	162	480.03	58	119.19	-	-	-	-	-	-	-	-	599.22
			9%-9.5%	130	308.65	89	156.94	14	19.69	-	-	-	-	-	-	485.28
			9.5%-10%	13	7.27	12	5.00	12	5.00	-	-	-	-	-	-	17.27
			10% - 10.5%	52	87.02	23	43.18	-	-	-	-	-	-	-	-	130.20
			10.5% - 11%	62	67.58	3	3.57	-	-	-	-	-	-	-	-	71.15
			11% - 11.5%	52	74.62	19	30.33	-	-	-	-	-	-	-	-	104.95
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	24	410.87	14	368.78	-	-	-	-	-	-	-	-	779.65
			9%-9.5%	22	11.00	24	12.51	17	10.33	-	-	-	-	-	-	33.84
			9.5%-10%	16	11.49	-	-	-	-	-	-	-	-	-	-	11.49
			10%-10.5%	66	49.57	48	42.27	11	10.80	-	-	-	-	-	-	102.64
			10.5% - 11%	36	20.42	11	9.57	-	-	-	-	-	-	-	-	29.99
			11% - 11.5%	19	6.17	-	-	-	-	-	-	-	-	-	-	6.17
			11.5% - 12%	24	56.52	14	34.36	-	-	-	-	-	-	-	-	90.88
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
			9.5% - 10%	4	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10% - 10.5%	2	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10.5% - 11%	3	28.57	-	-	-	-	-	-	-	-	-	-	28.57
		Above 3 years	10.5% - 11%	1	0.83	-	-	-	-	-	-	-	-	-	-	0.83
	Half Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
			8.5% - 9%	2	60.00	-	-	-	-	-	-	-	-	-	-	60.00
			9.5% - 10%	2	80.00	-	-	-	-	-	-	-	-	-	-	80.00

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2022

Terms of repayment of borrowings as on March 31, 2021 ₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	25	142.82	2	16.00	-	-	-	-	-	-	-	-	158.82
			6.5% - 7%	2	20.00	-	-	-	-	-	-	-	-	-	-	20.00
			7% - 7.5%	11	9.82	-	-	-	-	-	-	-	-	-	-	9.82
			11.5% - 12%	2	2.48	-	-	-	-	-	-	-	-	-	-	2.48
		Above 3 years	6.5% - 7%	6	7.33	-	-	-	-	-	-	-	-	-	-	7.33
			12.5% - 13%	12	40.00	-	-	-	-	-	-	-	-	-	-	40.00
	Quaterly	Above 3 years	9% - 9.5%	4	28.00	4	28.00	4	28.00	4	8.00	4	8.00	-	-	100.00
			11.5% - 12%	4	15.00	4	12.25	4	2.50	3	1.50	-	-	-	-	31.25
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
			6.5% - 7%	2	50	1	25	-	-	-	-	-	-	-	-	74.99
		Above 3 years	10.5%-11%	14	20.60	8	12.30	-	-	-	-	-	-	-	-	32.90
			11% - 11.5%	1	1	-	-	-	-	-	-	-	-	-	-	0.63
			11.5%-12%	18	305.20	18	331.90	16	409.15	6	180.00	-	-	-	-	1,226.25
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-		-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-		-	33.48
			9.5%-10%	23	22.22	14	13.82	2	3.34	-	-	-	-		-	39.38
			10% - 10.5%	80	150.61	46	65.93	-	-	-	-	-	-	-	-	216.54
			10.5% - 11%	12	13.19	3	4.21	-	-	-	-	-	-	-	-	17.40
			11% - 11.5%	20	10.23	-	-	-	-	-	-	-	-	-	-	10.23
			11.5% - 12%	3	50.00	-	-	-	-	-	-	-	-	-	-	50.00
		Above 3 Years	9% - 9.5%	8	6.06	12	9.09	12	9.09	1.00	0.76	-	-	-	-	25.00
			10% - 10.5%	2	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			11% - 11.5%	2	0.71	-	-	-	-	-	-	-	-	-	-	0.71
	Quarterly	1-3 years	10% - 10.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	24.99
			11.5% - 12%	4	5.45	3	4.09	-	-	-	-	-	-	-	-	9.54
		Above 3 Years	11.5% - 12%	7	6.50	-	-	-	-	-	-	-	-	-	-	6.50
	Half Yearly	1-3 Years	10% - 10.5%	2	25.00	-	-	-	-	-	-	-	-	-	-	25.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**1,597.00**	**6,176.95**	**769**	**3,189.82**	**140**	**1,132.67**	**16**	**297.26**	**4.00**	**8.00**	**-**	**-**	**10,804.71**

Note: The above amount pertains to the principal outstanding only.

14 Borrowings other than debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Term loans (secured)		
Banks	8,697.44	6,256.24
Financials institutions	2,043.43	2,132.53
Non-banking financial companies	457.46	368.67
External commercial borrowings	93.74	225.51
Term loans (unsecured)		
External commercial borrowings	116.08	-
Non banking financial companies	16.70	171.56
Collateralised borrowings from Banks	-	9.17
(arising on account of securitisation)		
Total	**11,424.85**	**9,163.68**
Borrowings in India	11,215.03	8,938.17
Borrowings outside India	209.82	225.51
Total	**11,424.85**	**9,163.68**

Note:

(1) The term loans are covered by unsecured microfinance loans to the extent of minimum 100% of outstanding. Further in respect of borrowings (including Debentures) drawn during quarter 4 of FY 2021-22 aggregating to ₹ 1019.7 crore (Quarter 4 of Previous year ₹ 622.35 crore), the Group will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

(2) Term loans availed during the year were applied for the purposes for which the loans were obtained, other than temporary deployment pending application.

14.1 Delay in repayment

There were no delay in repayment of borrowings as at March 31, 2022 and March 31, 2021.

15 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Term Loan	25.57	50.26
Debentures	52.17	52.44
Total	**77.74**	**102.70**
Subordinated Liabilities in India	77.74	102.70
Subordinated Liabilities outside India	-	-
Total	**77.74**	**102.70**

16 Other financial liabilities

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Lease liabilities	85.00	75.34
Others	2.44	7.60
Total	**87.44**	**82.94**

17 Provisions

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits:		
Gratuity	8.50	7.56
Leave encashment and availment	22.75	17.97
Total	**31.25**	**25.53**

18 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Statutory dues payable (Tax deducted at source, GST etc)	13.52	11.37
Total	**13.52**	**11.37**

19 Equity share capital ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Authorised		
Equity shares of ₹ 10 each	160.00	160.00
16,00,00,000 (March 31, 2021 : 16,00,00,000) Equity shares	**160.00**	**160.00**
	March 31, 2022	**March 31, 2021**
Issued, subscibed and fully paid up		
155,866,346 (March 31, 2021: 155,582,040) Equity shares of ₹ 10 each fully paid	155.87	155.58

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2022		March 31, 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	15,55,82,040	155.58	14,39,85,459	143.99
Add: Issued during the year				
- On account of Qualified Institutional Placement	-	-	1,13,15,323	11.31
- Employee Stock Option Plan	2,84,306	0.29	2,81,258	0.28
Outstanding at the end of the year	**15,58,66,346**	**155.87**	**15,55,82,040**	**155.58**

In the previous year, Pursuant to the approval accorded by the board of directors of the Holding Company (the “Board”), at its meeting held on September 3, 2020 and the special resolution passed by the members of the Holding Company at the Extraordinary General Meeting (EGM) held on September 26, 2020, the Capital Raising Committee of the Board (the “CRC Committee”) has, at its meeting held on October 05, 2020 approved the Qualified institutions placement of equity shares of face value ₹10 each of the Holding Company.

Subsequently, the CRC Committee, at its meeting held on October 8, 2020, approved the allotment of 11,315,323 Equity Shares of face value ₹ 10 each to eligible qualified institutional buyers at the issue price of ₹ 707 per Equity Share (including a premium of ₹ 697 per Equity Share) aggregating to ₹ 799,99,33,361 (Rupees Seven Ninety Nine Crore Ninety Nine Lakh Thirty Three Thousand Three Hundred and Sixty One only).

(b) Terms/Rights attached to equity shares
The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid				
CreditAccess India NV	11,51,09,028	73.85%	11,51,09,028	73.99%
Nippon Life India Trustee Limited	87,21,856	5.60%	61,05,884	3.92%

(d) Details of shareholders holding of Promoters

Particulars	March 31, 2022			March 31, 2021		
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
1) CreditAccess India NV	11,51,09,028	73.85%	-0.14%	11,51,09,028	73.99%	-5.95%

(e) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 38.

(f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-22 (No. of equity shares)	31-Mar-21 (No. of equity shares)	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	-	-	48,90,140	-
Equity shares alloted to CreditAccess India NV (Formerly known as CreditAccess Asia NV) in lieu of conversion of compulsorily convertible debentures	-	-	-	-	1,29,87,012	-
Total	**-**	**-**	**-**	**-**	**1,78,77,152**	**-**

20 Other equity*

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	370.52	294.09
Capital reserve	49.95	49.95
Securities premium	2,268.12	2,263.13
Share options outstanding account	11.72	8.52
Retained earnings	1,211.30	924.22
Effective portion of Cash Flow Hedge	0.39	-
Fair valuation of loans through other comprehensive income	(90.22)	(3.94)
Total	**3,821.78**	**3,535.97**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2022.

Nature and purpose of reserve

20.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

20.2 Capital reserve

During the year ended 2018, the Holding Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

20.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5 Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropraitions to specific reserves.

20.6 Other comprehensive income

(i) Effective portion of Cash Flow Hedge

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

(ii) Fair valuation of loans through other comprehensive income (FVTOCI)

The Group has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

₹ in crore

20.7

Movement of other comprehensive income for the year	March 31, 2022	March 31, 2021
Opening balance	(3.94)	(36.07)
(+) Fair value change during the year	(486.65)	(450.50)
(+) Effective portion of Cash Flow Hedge	0.39	-
(-) Impairment allowance transferred to statement of profit and loss	400.37	482.63
Closing balance	**(89.83)**	**(3.94)**

20.8 The Group has not declared or paid any dividend during the year and has not proposed final dividend for the year.

21 Interest income

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,914.94	618.03	**2,532.97**	1,615.45	636.00	**2,251.45**
Income from securitisation	-	0.56	**0.56**	-	12.96	**12.96**
Interest on deposits with banks and financial institutions	-	33.80	**33.80**	-	25.62	**25.62**
Total	**1,914.94**	**652.39**	**2,567.33**	**1,615.45**	**674.58**	**2,290.03**

22 Fees and commission income

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Service fees for management of assigned portfolio of loans	0.06	0.10
Service and administration charges	2.44	3.27
Distribution Income	10.72	5.39
Total	**13.22**	**8.76**

23 Net gain on fair value changes

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On On trading portfolio (realised)		
- Investments	17.85	20.01
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	69.99	112.89
Total	**87.84**	**132.90**

24 Other Income

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	-	(0.01)
Miscellaneous income	7.31	5.08
Total	**7.31**	**5.07**

25 Finance costs

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on debt securities	-	163.04	163.04		127.95	127.95
Interest on borrowings other than debt securities	-	797.46	797.46		773.61	773.61
Interest on subordinated liabilities	-	13.67	13.67		14.44	14.44
Other interest expense						
-Interest on lease liabilities	-	8.08	8.08		6.56	6.56
-Others	-	1.73	1.73		1.93	1.93
On financial liability towards securitisation (re-recognised on balance sheet)		0.16	0.16		4.23	4.23
Total Finance costs	**-**	**984.14**	**984.14**	**-**	**928.72**	**928.72**

26 Impairment on financial instruments

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Group lending loans	400.37	171.78	**572.15**	482.63	225.32	**707.94**
Individual loans	-	24.59	**24.59**	-	63.42	**63.42**
Total	**400.37**	**196.37**	**596.74**	**482.63**	**288.73**	**771.36**

27 Employee benefit expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and wages	388.20	341.24
Contribution to provident and other funds	40.26	34.34
Share based payments to employees	5.45	1.96
Staff welfare expenses	3.75	2.45
Total	**437.66**	**379.99**

28 Depreciation and amortization expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
-On property, plant and equipment	12.41	10.69
-On intangible assets	22.14	21.12
-On right of use assets	12.68	12.26
Total	**47.23**	**44.07**

29 Other expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Rental charges payable under operating leases (Refer Note 36)	23.29	19.28
Bank charges	3.28	4.60
Rates and taxes	9.86	7.62
Insurance	3.59	1.86
Repairs and maintenance	18.41	10.68
Electricity	4.23	3.47
Travelling and conveyance	74.91	49.79
Postage and telecommunication	9.79	13.40
Printing and stationery	6.20	6.30
Professional and consultancy charges	17.20	16.98
Remuneration to directors	1.36	1.15
Auditors remuneration (Refer Note below)	1.65	1.53
Training expenses	6.86	1.86
Corporate Social Responsibility expenses (Refer Note below)	9.71	7.81
Provision for other assets	1.63	0.20
Miscellaneous expenses **	8.64	11.99
Total	**200.61**	**158.52**

Auditors remuneration ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021 #
As auditor		
Audit fee	0.87	0.86
Limited review	0.60	0.45
Others	0.02	0.10
In other capacity		
Certification services	0.15	0.10
Reimbursement of expenses	0.01	0.02
Total	**1.65**	**1.53**

Excludes payment amounting to ₹ 0.68 crore for services in relation to Qualified institutions placement of equity shares, which has been adjusted in securities premium.

Details of CSR expenditure ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Group during the year	9.69	9.73
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	6.64	6.66
c) Shortfall at the end of the year, *	3.05	3.07
d) Total of previous years shortfall	-	-

* Previous year unspent balance of ₹3.07 Crores has been fully spent during the current year.

Note:

1. The Group has deposited the unspent amount in relation to the CSR expenditure in dedicated bank account.

2. Reason for shortfall, are as below

a) Few of the projects like the Vaccination Drives, Support to physically/mentally challenged children and the self-learning center have been commenced in the last quarter of this year and the period of the project extends to the next Financial year with committed payments to be made during the next Financial Year.

b) Two ongoing projects namely Anganawadi Improvement Program and Rural development program had execution challenges due to the covid situations in certain geographies. Hence, even though the institutions were identified, and events planned, the execution got delayed and some of the event dates have been extended to next financial year.

3. For nature of CSR activities refer annual report on CSR activities in Directors report.
4. Contribution of ₹ 3.54 crore made to CreditAccess India Foundation (Section 8 Company which is subsidary of the Company).
5. The Group has entered into a Memorandum of Understanding with CreditAccess India Foundation for CSR Activities (COVID-19 pandemic support program, Community Development activity like education, health Care, livelihood and other support activity).

** The Group has reversed additional provision carried over and above requirements as per Section 135 Companies Act, 2013 to the extent of ₹ 4.96 Crore during the current year.

30 Income tax

(A)

₹ in crore

Particulars	**For the year ended**	
	March 31, 2022	**March 31, 2021**
Current tax		
(i) Current year	121.78	106.44
(ii) Earlier year	2.16	-
Deferred tax		
(i) Current year	1.30	(57.44)
(ii) Earlier year	(1.55)	-
Total tax charge	**123.69**	**49.00**

(B) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in crore

Particulars	**For the year ended**	
	March 31, 2022	**March 31, 2021**
Profit before tax	480.79	180.40
At India's statutory income tax rate of 25.17% (2020: 25.17%)	121.01	45.41
Non deductible expenses		
Interest	0.09	0.15
CSR	1.19	2.96
Employee stock option cost	1.37	0.49
Others	0.03	-
		-
Income tax expense reported in statement of profit and loss	**123.69**	**49.00**

(C) Movement in deferred tax balances for the year ended March 31, 2022

₹ in crore

Particulars	Net balance April 1, 2021	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2022	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	3.60	1.00	-	-	4.60	4.60	-
Remeasurement gain / (loss) on defined benefit plan	5.41	1.37	(0.09)	-	6.69	6.69	-
Impairment allowance for loans	148.51	(22.04)	-	-	126.47	126.47	-
Expenses incurred on Initial Public Offering	2.91	(1.46)	-	-	1.45	1.45	-
Receivable from assignment of portfolio	(26.55)	6.75			(19.80)	-	(19.80)
Other items	5.63	10.88	28.24	-	44.75	44.75	-
On account of acquisition of MMFL	(35.43)	3.75	-	-	(31.68)	-	(31.68)
Net Deferred tax assets / (liabilities)	**104.09**	**0.25**	**28.15**	**-**	**132.48**	**183.96**	**(51.48)**

(D) Movement in deferred tax balances for the year ended March 31, 2021

₹ in crore

Particulars	Net balance April 1, 2020	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.86	0.74	-	-	3.60	3.60	-
Remeasurement gain / (loss) on defined benefit plan	4.22	1.18	0.01	-	5.41	5.41	-
Impairment allowance for loans	69.11	79.40	-	-	148.51	148.51	-
Expenses incurred on Initial Public Offering	4.37	(1.46)	-	-	2.91	2.91	-
Receivable from assignment of portfolio	(9.00)	(17.54)	-	-	(26.55)	-	(26.55)
Other items	24.95	(8.51)	(10.80)	-	5.63	5.63	-
On account of acquisition of MMFL	(39.06)	3.63	-		(35.43)	-	(35.43)
Net Deferred tax assets / (liabilities)	**57.44**	**57.44**	**(10.79)**	**-**	**104.09**	**166.07**	**(61.98)**

(E) The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets (net)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Income tax assets	486.72	520.54
Less: Income tax liabilities	454.46	488.71
Total	**32.26**	**31.83**

Current tax liabilities (net)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Income tax liabilities	185.65	76.39
Less: Income tax assets	180.53	75.40
Total	**5.12**	**0.99**

31 Employee benefits

A. Defined benefit plan

The Group provides for the gratuity, a defined benefit retirement plan covering qualifying employees . Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity is a funded plan for Holding Company and unfunded plan for Subsidiary Company and the Company makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity fund.

B. Defined contribution plan

The Group makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Group are administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Group recognised ₹ 26.65 crore (March 31, 2021: ₹ 20.68) for Provident fund contributions and ₹ 6.09 crore (March 31, 2021: ₹ 5.88 crore) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

31.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	21.65	16.84
Current service cost	6.00	5.22
Interest cost	1.39	1.08
Past service cost	-	-
Benefits settled	(1.70)	(1.11)
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	2.46	0.31
- Changes in demographic assumptions	(0.02)	0.48
- Changes in financial assumptions	(3.16)	(1.17)
Obligation at the end of the year	**26.62**	**21.65**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	14.08	10.57
Interest income on plan assets	1.09	0.82
Re-measurement- actuarial gain	(0.01)	(0.21)
Return on plan assets recognised in other comprehensive income	-	-
Contributions	4.20	3.69
Benefits settled	(1.24)	(0.78)
Plan assets at the end of the year, at fair value	**18.12**	**14.08**
Net defined benefit liability	**8.50**	**7.56**

31.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Current service cost	6.00	5.22
Interest cost	0.30	0.26
Net gratuity cost	**6.30**	**5.48**

31.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	2.46	0.31
- Changes in demographic assumptions	(0.02)	0.48
- Changes in financial assumptions	(3.16)	(1.17)
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.01	0.21
Total Actuarial (gains) / losses included in OCI	**(0.71)**	**(0.17)**

31.4 Plan assets

Particulars	March 31, 2022	March 31, 2021
Funds managed by insurer*	100%	100%

*only for holding compnay. There is no plan assets in Subsidary Companies.

31.5 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2022	March 31, 2021
Discount rate	5.60% - 6.96%	4.85% - 6.79%
Future salary growth	8%-10%	10.00%
Attrition rate	23.01% - 30.00%	22.85% - 30.00%
Normal retirement age	60 years	60 years
Average term of liabilty (in years)	4.00 - 6.57 years	4.00 - 7.79 years

31.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.44)	1.98	(1.32)	1.86
Future salary growth (1% movement)	1.72	(1.26)	1.61	(1.16)
Attrition rate (1% movement) (In case of MMFL 50% movement)	0.27	1.51	0.16	1.93
Mortality Rate (- / + 10% of mortality rates)	-	-	-	-

31.7 Expected contribution to the plan for the next annual reporting period is ₹ 7.55 crores (March 31, 2021 ₹ 5.74 crores).

The weighted average duration of the defined benefit obligation of Holding Company is 6.57 years & of Subsidiary Company is 4 years. [March 2021 - 7.79 years (Holding Company) and 4 years (Subsidiary Company)]. The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2022								
Gratuity	3.62	2.87	2.49	2.05	1.72	5.33	31.49	49.57
Total	**3.62**	**2.87**	**2.49**	**2.05**	**1.72**	**5.33**	**31.49**	**49.57**
31 March, 2021								
Gratuity	2.90	2.17	1.87	1.66	1.36	4.46	29.17	43.59
Total	**2.90**	**2.17**	**1.87**	**1.66**	**1.36**	**4.46**	**29.17**	**43.59**

31.8 Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy
The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Code on Social Security
The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2022

32 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2022

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,580.56	-	**1,580.55**
(b)	Bank balance other than cash and cash equivalents	170.24	10.60	**180.84**
(c)	Loans	8,827.43	5,937.90	**14,765.33**
(d)	Investments	-	0.54	**0.54**
(e)	Other financial assets	99.21	19.55	**118.75**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	32.26	**32.26**
(b)	Deferred tax assets (net)	-	132.48	**132.48**
(c)	Property, plant and equipment	-	31.80	**31.80**
(d)	Right of use assets	0.14	74.61	**74.76**
(e)	Goodwill on consolidation	-	317.58	**317.58**
(f)	Intangible assets	-	146.64	**146.65**
(g)	Intangible assets under development	-	3.07	**3.07**
(h)	Other non-financial assets	9.94	0.20	**10.14**
	Total assets	**10,687.52**	**6,707.23**	**17,394.75**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	1.66	-	**1.66**
(b)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	40.46	-	**40.46**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	218.43	0.13	**218.56**
(c)	Borrowings			
	- Debt securities	579.02	839.08	**1,418.10**
	- Borrowings (other than debt securities)	6,539.27	4,885.58	**11,424.85**
	- Subordinated liabilities	-	77.74	**77.74**
(d)	Other financial liabilities	13.98	73.46	**87.44**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	1.56	3.56	**5.12**
(b)	Provisions	13.05	18.20	**31.25**
(c)	Other non-financial liabilities	13.45	0.07	**13.52**
	Total liabilities	**7,420.88**	**5,897.82**	**13,318.70**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders

(B) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	2,360.09	-	**2,360.09**
(b)	Bank balance other than cash and cash equivalents	46.17	78.12	**124.29**
(c)	Other receivables	-	-	**-**
(d)	Loans	7,466.68	4,253.80	**11,720.48**
(e)	Investments	-	0.54	**0.54**
(f)	Other financial assets	107.02	25.43	**132.45**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	31.83	**31.83**
(b)	Deferred tax assets (net)	-	104.09	**104.09**
(c)	Property, plant and equipment	-	24.15	**24.15**
(d)	Right of use assets	-	67.50	**67.50**
(e)	Goodwill on consolidation	-	317.58	**317.58**
(f)	Intangible assets	-	163.54	**163.54**
(g)	Intangible assets under development	-	0.62	**0.62**
(h)	Other non-financial assets	11.93	1.14	**13.07**
	Total assets	**9,991.89**	**5,068.34**	**15,060.23**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	42.65	-	**42.65**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	159.04	-	**159.04**
(b)	Borrowings			
	- Debt securities	525.63	1,149.32	**1,674.95**
	- Borrowings (other than debt securities)	5,660.80	3,502.88	**9,163.68**
	- Subordinated liabilities	27.79	74.91	**102.70**
(c)	Other financial liabilities	15.99	66.95	**82.94**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	-	0.99	**0.99**
(b)	Provisions	10.04	15.49	**25.53**
(c)	Other non-financial liabilities	11.31	0.06	**11.37**
	Total liabilities	**6,453.25**	**4,810.60**	**11,263.85**

33 Transfer of financial assets

a) *Transferred financial assets that are not derecognised in their entirety.*

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

₹ in crore

Particulars	March 31,2022	March 31,2021
Securitisations		
Carrying amount of transferred assets	-	15.89
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	-	9.15
Net position at amortised cost	-	6.74

b) *Transferred financial assets that are derecognised in their entirety.*

The Group has assigned loans (earlier measured at FVTOCI/amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

₹ in crore

Particulars	March 31,2022	March 31,2021
Direct assignments		
Carrying amount of derecognised financial assets	1,120.30	1,329.36
Gain from derecognition	75.69	109.82

Since the Group transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

The Group has not transferred any assets that are derecognised during the year in their entirety where the Group continues to have continuing involvement.

34 Contingent liabilities

Contingent liabilities not provided for in respect of the below:

₹ in crore

(a)

Particulars	March 31, 2022	March 31, 2021
Performance security provided by the Holding Company pursuant to service provider agreement	0.10	0.11
Demand under Employee Provident Fund Act, 1952	0.25	0.25

(b) **Pertaining to Assessment Year 2017-18 (Financial year 2016-17)**
The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.2.62 crores (net demand after adjusting of payment made is ₹ 1.16 crore) from the Group. The Group has preferred an appeal before Commissioner of Income Tax against said assement order. The Group is of view that the said demand is not tenable and expects to succeed in its appeal.

(c) In addition, the Group is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group financial position and result of operations.

35 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
For purchase / development of computer software	3.91	0.87

36 Leases

Group as a leasee

36.1 The Group's leased assets mainly comprise office building and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and server leases are ranging from 1-10 years. The Group has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

36.2 Total lease liabilities are analysed as follows:

₹ in crore

Lease liabilities	March 31, 2022	March 31, 2021
Current	11.29	8.72
Non-current	73.71	66.62
Total	**85.00**	**75.34**

36.3 Amounts recognised in the statement of profit and loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Depreciation charge of right-of-use assets		
Buildings	4.78	4.43
Servers	7.90	7.83
	12.68	**12.26**
Expense relating to variable lease payments		
Expense relating to short-term leases (included in other expenses)	23.28	19.28
Interest on lease liabilities (included in finance costs)	8.08	6.56

₹ in crore

36.4

Particulars	March 31, 2022	March 31, 2021
Total cash outflow for leases	41.57	34.21
Total commitments for short-term leases	10.48	7.77

36.5 The Group had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2022	March 31, 2021
Computers	-	7.59

36.6 The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crore

Maturity analysis:	March 31, 2022	March 31, 2021
Less than 1 year	19.29	16.08
Between 1 and 2 years	17.72	15.02
Between 2 and 5 years	49.89	41.00
More than 5 years	31.19	37.87
Total	**118.09**	**109.97**

36.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Balance as at April 1, 2021	75.34	61.90
Additions during the period	19.94	25.21
Finance cost incurred during the period	8.08	6.56
Termination of lease during the period	-	(0.05)
Payment of lease liabilities	(18.36)	(18.28)
Balance as of March 31, 2022	**85.00**	**75.34**

Note: Refer Note 10(A) for movement in right of use of assets.

37 Related party transactions

Names of the related parties ***(as per IndAS – 24)***

Holding Company	CreditAccess India NV
Managing Director & CEO (KMP)	Mr. Udaya Kumar Hebbar
Chairman & Lead Independent Director	Mr. George Joseph (Chairman from August 11,2021)
Chairman & Nominee Director In Holding Company and Non-Executive Director in MMFL	Mr. Paolo Brichetti (upto July 30,2021 in Holding company and up to August 03, 2021 in MMFL)
Key management personnel - Director-Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020) & Non-Executive Director at MMFL	Mr. Diwakar B R (Resigned on November 06, 2020 as Director Finance & CFO from Holding company)
Independent Director	Mr. R Prabha (Cessation of office on November 03, 2020)
Independent Director	Ms. Sucharita Mukherjee
Independent Director	Mr. Anal Kumar Jain (w.e.f. June 25, 2020)
Independent Director	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Independent Director	Ms. Lilian Jessie Paul (w.e.f. September 16, 2020)
Key Management Personnel	Mr. Ganesh Narayanan, Deputy CEO (w.e.f. July 01, 2021)
Key Management Personnel	Mr. S Balakrishna Kamath, Chief Financial Officer (w.e.f. November 7, 2020)
Key Management Personnel	Mr. M J Mahadev Prakash, Company Secretary
Non-Executive Director	Mr. F. S. Mohan Eddy (Whole time Director- upto March 31, 2021 and Non-Executive Director - w.e.f April 1, 2021)
Independent Director	Mr. N. C. Sarabeswaran
Key Management Personnel	Mr. Ganesh Hegde, Company Secretary (w.e.f. Feburay 21, 2021)
Non-Executive Director	Ms. Tara Thiagarajan (Managing Director- up to February 21,2021 and Non-Executive Director- w.e.f. Feburay 22,2021.
CEO & CFO-Key Management Personnel	Mr. M. Narayanan (CEO- up to Feburay 21, 2021 and CEO & CFO- w.e.f. Feburay 22,2021.

₹ in crore

Particulars	Key management personnel	
	March 31, 2022	March 31, 2021
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	2.85	2.21
Employee Stock Options exercised	0.59	0.11
Mr. Sadananda Balakrishna Kamath		
Salary and perquisites	1.10	0.33
Employee Stock Options exercised	0.15	-
Mr. M J Mahadev Prakash		
Salary and perquisites	0.58	0.45
Employee Stock Options exercised	-	-
Mr. Ganesh Narayanan		
Salary and perquisites	1.27	-
Employee Stock Options exercised	-	-
Mr. Diwakar B R		
Salary and perquisites	-	1.46
Employee Stock Options exercised	-	0.07
Ms Tara Thiagarajan		
Salary and perquisites	-	0.66
Mr F S Mohan Eddy		
Salary and perquisites	-	0.79
Mr M Narayanan		
Salary and perquisites	1.35	0.86
Mr. V. Balakrishnan		
Salary and perquisites	-	0.63
Mr. Sanin Panicker		
Salary and perquisites	-	0.01
Mr. Ganesh Hegde		
Salary and perquisites	0.11	0.01

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

37 Related party transactions

Sitting fees	March 31, 2022	March 31, 2021
Mr. R Prabha	-	0.06
Mr. Paolo Brichetti	0.01	0.08
Mr. Sumit Kumar	0.04	0.06
Mr. Massimo Vita	0.06	0.07
Mr. Anal Kumar Jain	-	0.02
Ms. Sucharita Mukherjee	0.05	0.04
Mr. George Joseph	0.18	0.17
Mr. Manoj Kumar	0.14	0.14
Ms. Lilian Jessie Paul	0.06	0.03
Mr. N C Sarabeswaran	0.07	0.06
Ms Tara Thiagarajan	0.03	-
Mr F S Mohan Eddy	0.04	-

	Other related parties	
Commission	March 31, 2022	March 31, 2021
Mr. R Prabha	0.01	0.07
Mr. Anal Kumar Jain	(0.04)	0.06
Ms. Lilian Jessie Paul	0.14	-
Ms. Sucharita Mukherjee	0.12	0.07
Mr. George Joseph	0.17	0.07
Mr. Manoj Kumar	0.17	0.06

Provisions for gratuity and leave benefits are made for the Group as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

Sitting fees payable	Other related parties	
	March 31, 2022	March 31, 2021
Mr. Paolo Brichetti	-	0.02
Mr. Massimo Vita	0.01	0.02
Mr. Sumit Kumar	-	0.01

Commission payable	Other related parties	
	March 31, 2022	March 31, 2021
Mr. R Prabha	-	0.07
Mr. Anal Kumar Jain	-	0.06
Ms. Lilian Jessie Paul	0.08	-
Ms. Sucharita Mukherjee	0.10	0.06
Mr. George Joseph	0.12	0.07
Mr. Manoj Kumar	0.10	0.03

38 Employee stock options

Stock options: The Holding Company has provided share based payments to its employees under the 'CAGL Employees Stock Option Plan – 2011' (upto July 8, 2020 name was 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'). The various Tranches I, II, III, IV, V , VI, VII and VIII represent different grants made under the plan. During year ended March 31, 2022, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018	Jan 1,2021	Jan 1,2022
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jan 29, 2021	Mar 23, 2022
Number of Options granted	7,16,676	6,31,339	4,43,000	4,31,000	5,21,000	9,71,000	3,75,900	10,29,300
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:								
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from date of vesting	
Vesting conditions	Employee to be in service at the time of vesting							
Weighted average remaining contractual life (years)								
-I	-	-	-	-	-	0.75	3.76	4.76
-II	-	-	-	0.25	0.75	1.75	4.76	5.76
-III	-	-	-	1.25	1.76	2.76	5.76	6.76
-IV	-	-	0.17	2.25	2.76	3.76	6.76	7.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91	595.68
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	224.32	167.40

Additional disclosures for Tranche VIII - granted during the current year and Tranche VII - in previous year:

Particulars	Tranche VIII	Tranche VII
Share price on the date of Grant (in Rs.)	597.30	768.85
Expected volatality (%)		
I	44.44%	58.89%
II	43.38%	52.16%
III	51.03%	49.37%
IV	49.42%	49.82%
Risk free interest rate (%)		
I	5.10%	4.34%
II	5.65%	4.99%
III	6.12%	5.62%
IV	6.46%	6.03%
Fair value per option (in Rs.)		
I	116.67	184.06
II	144.49	207.75
III	193.85	235.3
IV	214.58	270.19

38 Employee stock options

Reconciliation of options:

Particulars	March 31, 2022	March 31, 2021
Tranche I		
Options outstanding at the beginning of the year	-	-
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	4,000	7,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,500	2,000
Expired during the year	2,500	1,500
Outstanding at the end of the year	-	4,000
Exercisable at the end of the year	-	4,000
Tranche III		
Options outstanding at the beginning of the year	7,500	38,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,500	29,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	4,500	7,500
Exercisable at the end of the year	4,500	7,500
Tranche IV		
Options outstanding at the beginning of the year	1,83,250	2,52,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	26,500	69,000
Expired during the year	-	-
Outstanding at the end of the year	1,56,750	1,83,250
Exercisable at the end of the year	1,56,750	1,83,250
Tranche V		
Options outstanding at the beginning of the year	3,13,950	3,56,300
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	98,700	34,850
Expired during the year	-	7,500
Outstanding at the end of the year	2,15,250	3,13,950
Exercisable at the end of the year	2,15,250	3,13,950
Tranche VI		
Options outstanding at the beginning of the year	5,20,343	6,88,525
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,54,256	1,45,908
Expired during the year	11,826	22,274
Outstanding at the end of the year	3,54,261	5,20,343
Exercisable at the end of the year	3,54,261	3,16,591
Tranche VII		
Options outstanding at the beginning of the year	3,75,900	-
Granted during the year	-	3,75,900
Forfeited during the year	-	-
Exercised during the year	1,850	-
Expired during the year	41,925	-
Outstanding at the end of the year	3,32,125	3,75,900
Exercisable at the end of the year	82,150	-
Tranche VIII		
Options outstanding at the beginning of the year	-	-
Granted during the year	10,29,300	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	10,29,300	-
Exercisable at the end of the year	-	-

39 Revenue from contracts with customers

₹ in crore

	Particulars	For the year ended	
		March 31, 2022	March 31, 2021
(A)	**Type of services**		
	Service fees for management of assigned portfolio of loans	0.06	0.10
	Service and administration charges	2.44	3.01
	Distribution Income	10.72	5.39
	Advertisement display income	4.72	2.24
	Total	**17.94**	**10.74**

(B) Geographical markets

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
India	17.94	10.74
Outside India	-	-
Total	**17.94**	**10.74**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Services transferred at a point in time	17.94	10.74
Services transferred over time	-	-
Total	**17.94**	**10.74**

(D) Receivables

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Distribution income	4.02	1.07

40 Financial instruments – fair values

Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crore

Financial assets (assets measured at fair value)	March 31, 2022			March 31, 2021		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	11,246.06	-	-	8,893.33
Investments	-	-	0.54	-	-	0.54
Total	**-**	**-**	**11,246.60**	**-**	**-**	**8,893.87**
Financial Liabilities						
Derivative financial instruments	-	1.66	-	-	-	-
Total	**-**	**1.66**	**-**	**-**	**-**	**-**

Fair values of Loans designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the Holding Company.

₹ in crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2022				March 31, 2021			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	3,519.27	-	-	3,685.49	2,827.15	-	-	2,870.87
Total	**3,519.27**	**-**	**-**	**3,685.49**	**2,827.15**	**-**	**-**	**2,870.87**
Debt securities	1,418.10	-	-	1,437.35	1,674.95	-	-	1,710.68
Borrowings (other than debt securities)	11,424.85	-	-	11,489.41	9,163.68	-	-	9,229.93
Subordinated liabilities	77.74	-	-	84.82	102.70	-	-	113.61
Lease liabilities	85.00	-		89.12	75.34	-	-	75.72
Total	**13,005.69**	**-**	**-**	**13,100.70**	**11,016.67**	**-**	**-**	**11,129.94**

Note: The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets and payables are considered to be the same as their fair values, due to their short-term nature.

There were no transfers between Level 3 and Level 1 / Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Financial liabilities measured at amortised cost

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

41 Risk Management

41.1 Introduction and risk profile

CreditAccess Grameen Limited (“The Holding Company”) is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children’s education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

41.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the Group. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Group and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Holding Company. The Board reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management Level Risk Committee (MLRC) comprising of MD&CEO, CFO, CAO, Deputy CEO& CBO,CTO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Group’s policy is that risk management processes throughout the Group are audited by the Internal Audit function, which examines both the adequacy of the procedures and the Group’s compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

41.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Group. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Group formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

41.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.
Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.
As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.
All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC.
The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Group in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

41.1.d Risk Management Strategies
Excessive risk concentrations
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Group to manage the various key risks.

Political Risk mitigation measures:
• Low cost operations and low pricing for customers.
• Customer centric approach, high customer retention.
• Rural focus.
• Systematic customer awareness activities.
• High social focused activities.
• Adherence to client protection guidelines.
• Robust grievance redressal mechanism.
• Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
• District centric approach.
• District exposure cap.
• Restriction on growth in urban locations.
• Maximum disbursement cap per loan account.
• Maximum loan exposure cap per customer.
• Diversified funding resources.

Operational & HR Risk mitigation measures:
• Stringent customer enrolment process.
• Multiple products.
• Proper recruitment policy and appraisal system.
• Adequately trained field force.
• Weekly & fortnightly collections – higher customer touch, lower amount instalments.
• Multilevel monitoring framework.
• Strong, Independent and fully automated Internal Audit function.
• Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
• Diversified funding resources.
• Asset liability management.
• Effective fund management.
• Maximum cash holding cap.

Expansion risk mitigation measures:
• Contiguous growth.
• District centric approach.
• Rural focus.
• Branch selection based on census data & credit bureau data.
• Three level survey of the location selected.

Credit risk
Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Group. Credit risk is the core business risk of the Group. The Group therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Group is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Group has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the group follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in group.
Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The group ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each Group's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS tagging and KYC checks..

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

41.2 Impairment assessment
The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

41.2.a Definition of default, significant increase in credit risk and stage assessment
For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Group considers that the obligor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the Group.
Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Group granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

The accounts which were restructured under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage-2.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(i) Staging classification of Group Lending loans of Holding Company
Unlike banks which have more of monthly repayments, the Holding Company offers products with primarily weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Holding Company has identified the following stage classification to be the most appropriate for such products :
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Staging classification of Subsidiary Company

Joint liability loans (JLG)

The Subsidiary Company has identified the following stage classification to be the most appropriate for its loans as these loans are mainly on weekly or bi-weekly repayment basis:
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

From Quarter 2 of Financial year 2021-22, MMFL has aligned its Stage III timeline to 60-days overdue as compared to 90 days overdue earlier period.

Self Help groups (SHG)

The Subsidiary Company has identified the following stage classification to be the most appropriate for its loans as these loans are mainly on monthly repayment basis:

Stage 1: 0 to 30 DPD.
Stage 2: 31 to 60 DPD (SICR).
Stage 3: Above 60 DPD (Default).

(iii) Staging classification of Individual Loans of the Holding Company

For monthly repayment model, the Group has identified the following stage classification to be the most appropriate for these loans :
Stage 1: 0 to 30 DPD.
Stage 2: 31 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

41.2.b Probability of Default ('PD')

(i) Group lending

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

(ii) Individual Loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a which is based on management judgement.

41.2.c Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

41.2 .d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Group lending loans

LGD is computed as below:

The Group determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate.

In estimating LGD, the Group reviews macro-economic developments taking place in the economy.
A select group of Stage 2 and Stage3 loans of the Holding Company exhibiting specific payment pattern has been applied an LGD which is lower than the regular LGD estimate.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

41.2 .e Grouping financial assets measured on a collective basis

The Group believes that the Group Lending loans (GL) have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, GL and IL are treated as two separate groups for the purpose of determining impairment allowance.

41.2 .f The Group's Loan book consists of a large number of customers spread over diverse geographical area, hence the Group is not exposed to concentration risk with respect to any particular customer.

41.2 .g Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD/ LGD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios. The methodology and assumptions used for estimating future cash flows is reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses. Refer Note 43.

41.3 Capital

The Group actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Capital management
The Group's objectives when managing capital are to
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• Maintain an optimal capital structure to reduce the cost of capital.
The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Group's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

41.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Group may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Group's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Group continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of the Group. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the Group, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses.

Liquidity assessment as on March 31, 2022

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	145.26	39.04	88.52	166.71	213.09	929.32	-	-	**1,581.94**
Borrowings (other than debt securities)	609.87	575.76	597.91	2,168.79	3,285.20	5,082.17	171.98	-	**12,491.67**
Subordinated liabilities	1.66	1.72	2.54	5.99	19.45	105.16	69.00	166.98	**372.50**
Total	**756.79**	**616.52**	**688.98**	**2,341.49**	**3,517.75**	**6,116.65**	**240.98**	**166.98**	**14,446.11**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

Liquidity assessment as on March 31, 2021

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	3.29	50.96	61.44	124.85	394.50	1,193.79	114.63	-	**1,943.46**
Borrowings (other than debt securities)	548.35	428.95	558.61	1,618.28	3,070.60	3,590.12	212.94	-	**10,027.85**
Subordinated liabilities	0.59	0.61	0.59	1.81	34.98	72.23	19.06	12.94	**142.81**
Total	**552.23**	**480.52**	**620.64**	**1,744.94**	**3,500.06**	**4,856.14**	**346.64**	**12.94**	**12,114.12**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

41.5 Market Risk

41.5.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios

41.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Group's financial condition. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for the Group.

In case of CAGL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only some of the liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Group's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2021-22	Effect on profit / loss and equity for the year 2020-21
Borrowings			
Increase in basis points	+ 25	(16.48)	(14.46)
Decrease in basis points	- 25	16.48	14.46

41.5.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract.

Particulars	March 31, 2022	March 31, 2021
	USD	USD
Liability – External Commercial Borrowings	1,50,00,000	-
Assets – Crorss Currency Interest rate Swap Contract	1,50,00,000	-

41.5.4 Hedging Policy

The Group's Hedging Policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationship where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and qualitative assessment of effectiveness is performed.

In respect of Interest rate swaps, there is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

Impact of hedge on the balance sheet ₹ in crore

Particulars	Notional amount	Carrying amount of hedging instrument assets	Carrying amount of hedging instrument Liability
INR USD CCIRS	111.75	-	1.66

41.5.5 Changes in liabilities arising from financing activities ₹ in crore

Particulars	As at March 31,2021	Cash flows	Changes in fair value	Exchange difference	Others	As at March 31, 2022
Debt securities	1,674.95	(257.19)	-	-	0.34	1,418.10
Borrowings (other than debt securities)	9,163.68	2,273.56	-	-	(12.38)	11,424.85
Subordinated liabilities	102.70	(25.00)	-	-	0.04	77.74
Lease liabilities	75.34	(26.64)	-	-	36.31	85.00
Total liabilities from financing activities	**11,016.67**	**1,964.72**	**-**	**-**	**24.30**	**13,005.69**

₹ in crore

Particulars	As at March 31,2020	Cash flows	Changes in fair value	Exchange difference	Others	As at March 31, 2021
Debt securities	792.37	853.43	-	-	29.16	1,674.95
Borrowings (other than debt securities)	8,560.12	522.19	-	-	81.35	9,163.68
Subordinated liabilities	99.89	-	-	-	2.80	102.70
Lease liabilities	61.90	(18.33)	-	-	31.76	75.34
Total liabilities from financing activities	**9,514.29**	**1,357.29**	**-**	**-**	**145.08**	**11,016.67**

42 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group. The Group operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue in year ended March 31, 2022 or March 31, 2021.

43 Impact of COVID 19 on Expected Credit Losses

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the Covid-19 pandemic during the year ended 31 March 2022.

Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the Group holds an aggregate provision of ₹ 533.86 crores against the advances which includes provision of ₹ 44.61 crores for the accounts restructured under the RBI resolution framework.

44 Business combination

On March 18, 2020, the Holding Company had completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI). During FY21, the Company had further acquired 12,241 equity shares, representing 0.17% of the equity share capital of MMFL. Further, during the current year, the Company has acquired 4500 equity shares, representing 0.06% of the equity share capital of MMFL, taking the aggregate shareholding of the Company in MMFL as on March 31, 2022 to 76.31%.

The Board of Directors of the Company in its meeting held on November 27, 2019 has approved the scheme of amalgamation of MMFL with the Holding Company, subject to requisite approvals from various regulatory and statutory authorities, respective shareholders and creditors.

Based on the Order by the Hon'ble National Company Law Tribunal (NCLT), Bengaluru dated February 25, 2022, a Meeting of the equity shareholders of the Holding Company was convened on April 25, 2022 for obtaining the approval to the Scheme of Amalgamation. Further, based on the Order by the NCLT Chennai dated March 29, 2022, a meeting of the equity shareholders of MMFL was convened on May 04, 2022. The above Scheme has been approved by the equity shareholders of both the companies and is now subject to the subsequent approvals of the NCLT Bengaluru and Chennai.

45 Additional disclosures to be inserted approporiately in the financials

(i) No Benami Property are held by the Group and/or there are no proceedings that have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

(iii) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

(iv) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(v) Other than the transactions that are carried out as part of Group normal lending business:
A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year

(vii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

46 Material Partly-Owned Subsidiaries

Financial information of subsidiaries that have material non-controlling interest is provided below

Madura Micro Finance Limited ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Proportion of interest held by Non-Controlling Entities as at #	23.68%	23.75%
Accumulated balances of material non-controlling interest	98.40	104.83
Summarised Financial information for the Consolidated Balance Sheet		
Financial assets	2,949.17	2,563.46
Non-financial assets	49.04	35.81
Financial liabilities	2,598.38	2,189.33
Non-financial liabilities	12.12	8.58
Dividend paid to Non-controlling Interest (including Corporate Dividend Tax)	-	-

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Profit/(Loss) allocated to Material Non-Controlling Interest:	(5.94)	(2.62)
Summarised Financial information for the Consolidated Statement of Profit and Loss		
Revenue from Operations	457.12	432.93
Profit/(loss) for the Year	(13.93)	(0.20)
Other Comprehensive Income/(Loss)	0.28	(0.04)
Total Comprehensive Income	(13.65)	(0.24)
Summarised Financial information for Consolidated Cash Flows		
Net Cash from Operating Activities	(741.04)	(84.66)
Net Cash used in Investing Activities	1.94	48.54
Net Cash used in Financing Activities	432.95	441.38
Net Cash outflow	(306.15)	405.27

During the year the Holding Company has acquired additional stake in Subsidary to the extent of 0.07% for consideration of ₹ 0.55 Crore (In Previous year 0.17% for consideration of ₹ 1.49 Crore) from Non-Controlling shareholders.

47 Additional Information as required under Schedule III of Companies Act, 2013, of enterprises consolidated as subsdiary.

Particulars	Net assets, i.e total assets minus total liabilities	
	As % of consolidated net assets	Amount (₹ in crores)
Holding Company		
CreditAccess Grameen Limited	96.66%	3,939.80
Subsidiary		
Madura Micro Finance Limited	9.51%	387.71
CreditAccess India Foundation	0.00%	-0.01
Consolidation adjustment	-6.17%	-251.46
Total	**100.00%**	**4,076.04**

Particulars	Share in profit or loss account		Share in total comprehensive income	
	As % of consolidated profit or loss	Amount (₹ in crores)	As % of consolidated other comprehensive Income/(loss)	Amount (₹ in crores)
Holding Company				
CreditAccess Grameen Limited	107.01%	382.14	100.32%	(85.64)
Subsidiary				
Madura Micro Finance Limited	-3.90%	(13.93)	-0.32%	0.28
CreditAccess India Foundation	0.00%	(0.02)	-	-
Consolidation adjustment	-3.11%	(11.09)	-	-
Total	100.00%	357.10	100.00%	(85.36)

48 **Earnings per share (EPS)**

The following reflects the profit after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2022	March 31, 2021
Net profit after tax as per statement of profit and loss (₹ in crores)	363.04	134.02
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	363.04	134.02
Weighted average number of equity shares in calculating basic EPS	15,57,23,606	14,95,40,013
Stock options granted under ESOP	6,22,097	10,03,028
Weighted average number of equity shares in calculating dilutive EPS	15,63,45,702	15,05,43,041
Earnings per share	23.31	8.96
Dilutive earnings per share	23.22	8.90
Nominal value per share	10.00	10.00

49 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Deloitte
Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar, Chennai-600 017
Tamil Nadu, India

Tel: 044 6688 5000
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INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CreditAccess Grameen Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 42 to the consolidated financial statements, which describes the continuing uncertainties arising from the COVID 19 pandemic.

Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the key audit matter was addressed in our Audit
(a). Impairment of financial assets (expected credit losses) (as described in note 7 of the consolidated Ind AS financial statements)	
Management estimates impairment provision using Expected Credit loss model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Group's impairment allowance is derived from estimates including the historical default and loss ratios. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. During the year, the Group has made additional provisions after evaluating the extent to which COVID-19 pandemic may impact its overall operations and performance. Given the uncertainty over the potential macro-economic condition, these additional provisions also involve significant management estimates/ judgements. Further, the disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL involve increased level of audit focus. The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter (KAM).	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but not limited, to the following: • We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Group. • We obtained an understanding of the model adopted by the Group for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness of the data on which the calculation is based and tested the management controls

	for it. • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of the need for post model adjustments, model validation and production of journal entries and disclosures. • We tested, on samples basis, the input and historical data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • We tested the arithmetical calculation of the workings of the expected credit losses. • We performed an overall assessment of the ECL provision at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Group's portfolio, risk profile and the macroeconomic environment. • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Management report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.'

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(i) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 2,598.28 crore as at March 31, 2021, total revenues of Rs. 117.93 crore and net cash inflows amounting to Rs. 405.27 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

(ii) The audit of the consolidated financial statements of the Group for the year ended March 31, 2020 was carried out by the predecessor auditor. The report of the predecessor auditor on the comparative consolidated financial statements dated May 30, 2020 expressed an unmodified opinion

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Deloitte
Haskins & Sells

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Parent, and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and its subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

Deloitte Haskins & Sells

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiaries.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFK5122)

Place: Mumbai
Date: May 6, 2021

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Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) **under 'Report on Other Legal and Regulatory Requirements' section** of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the **"Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (hereinafter referred to as the "Parent") and its subsidiaries as of date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiaries, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiaries.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Deloitte
Haskins & Sells

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiaries is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFK5122)

Place: Mumbai
Date: May 6, 2021

CreditAccess Grameen Limited
Consolidated balance sheet as at March 31, 2021

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	2,360.09	644.87
(b)	Bank balance other than cash and cash equivalents	5	124.29	72.77
(c)	Other receivables	6	-	0.22
(d)	Loans	7	11,720.48	11,098.91
(e)	Investments	8	0.54	45.56
(f)	Other financial assets	9	132.05	58.36
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	29	30.84	22.11
(b)	Deferred tax assets (net)	29	104.09	57.44
(c)	Property, plant and equipment	11 (A)	24.15	31.69
(d)	Right of use assets	11 (A)	67.50	54.60
(e)	Goodwill on consolidation		317.58	317.58
(f)	Intangible assets	11 (A)	163.54	172.63
(g)	Intangible assets under development	11 (B)	0.62	2.84
(h)	Other non-financial assets	10	13.47	10.63
	Total assets		**15,059.24**	**12,590.21**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		62.55	41.19
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		139.14	67.46
(b)	Borrowings			
	- Debt securities	12	1,674.95	792.58
	- Borrowings (other than debt securities)	13	9,163.68	8,644.06
	- Subordinated liabilities	14	102.70	103.03
(c)	Other financial liabilities	15	82.94	67.20
(2)	**Non-financial liabilities**			
(a)	Provisions	17	25.53	20.31
(b)	Other non-financial liabilities	16	11.37	11.21
(3)	**Equity**			
(a)	Equity share capital	18	155.58	143.99
(b)	Other equity	19	3,535.97	2,590.23
(c)	Non-controlling interests		104.83	108.95
	Total liabilities and equity		**15,059.24**	**12,590.21**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

CreditAccess Grameen Limited
Statement of consolidated profit and loss for the year ended March 31, 2021

₹ in crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**Revenue from operations**			
(a)	Interest income	20	2,290.03	1,633.39
(b)	Fees and commission income	21	8.50	5.00
(c)	Net gain on fair value changes	22	132.90	56.35
(d)	Others		29.31	9.57
	Total revenue from operations (I)		**2,460.74**	**1,704.31**
II	**Other income**	23	5.33	1.17
III	**Total income (I+II)**		**2,466.07**	**1,705.48**
IV	**Expenses**			
(a)	Finance costs	24	928.72	578.34
(b)	Fee and commission expense		3.01	1.18
(c)	Impairment of financial instruments	25	771.36	237.27
(d)	Employee benefits expenses	26	379.99	262.05
(e)	Depreciation and amortization expenses	27	44.07	20.37
(f)	Other expenses	28	158.52	144.67
	Total expenses (IV)		**2,285.67**	**1,243.88**
V	**Profit before tax (III-IV)**		**180.40**	**461.60**
VI	**Tax expense**	29		
	(1) Current tax		106.44	160.47
	(2) Deferred tax		(57.44)	(34.36)
	Total tax expense (VI)		**49.00**	**126.11**
VII	**Profit for the year (V-VI)**		**131.40**	**335.49**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement gains/(losses) on defined benefit obligations (net)		0.17	0.02
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.04)	(0.01)
	Subtotal (a)		**0.13**	**0.01**
(b)	(1) Items that will be reclassified to profit or loss			
	- Net change in fair value of loans measured at fair value through other comprehensive income		42.93	(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss		(10.80)	7.46
	Subtotal (b)		**32.13**	**(27.37)**
	Other comprehensive income / (loss) (VIII = a+b)		**32.26**	**(27.36)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the year)**		**163.66**	**308.13**
X	**Profit attributable to:**			
	Owners of the Company		134.02	333.55
	Non-controlling interest		(2.62)	1.94
XI	**Other comprehensive Income attributable to:**			
	Owners of the Company		32.27	(27.35)
	Non-controlling interest		(0.01)	(0.01)
XII	**Total comprehensive Income attributable to:**			
	Owners of the Company		166.29	306.19
	Non-controlling interest		(2.63)	1.94
XIII	**Earnings per equity share (EPS) (face value of ₹10.00 each)**	45		
	Basic (EPS)		8.96	23.20
	Diluted (DPS)		8.90	23.00

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

CreditAccess Grameen Limited
Statement of consolidated changes in equity for the year ended March 31, 2021

a) Equity share capital

Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crore
At March 31, 2019	**14,35,52,261**	**143.55**
Changes in equity share capital during the year	4,33,198	0.43
At March 31, 2020	**14,39,85,459**	**143.99**
Changes in equity share capital during the year	1,15,96,581	11.60
At March 31, 2021	**15,55,82,040**	**155.58**

b) Other equity

₹ in crore

Particulars	Reserve & Surplus					Other comprehensive income	Total Other Equity (A)	Non Controlling interests (B)	Total (A)+(B)
	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve (Refer Note 19.2)	Securities premium	Share options outstanding account	Retained earnings				
As at March 31, 2019	**137.92**	**49.95**	**1,480.00**	**8.79**	**553.55**	**(8.70)**	**2,221.51**	**-**	**2,221.51**
Profit for the year	-	-	-	-	333.56	-	333.56	1.94	335.49
Other comprehensive income	-	-	-	-	0.01	(27.37)	(27.36)	-	(27.36)
Premium on exercise of stock options	-	-	5.85	(2.69)	-	-	3.16	-	3.16
Acquired from MMFL	60.52	-	-	-		-	60.52	109.44	169.96
Transferred to statutory reserves	67.18	-	-	-	(66.77)	-	0.41	(0.41)	-
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	(1.81)	-	(1.81)	(2.02)	(3.83)
Effect of tax rate change on the carrying value of deferred tax assets recognised through equity	-	-	(2.26)	-	-	-	(2.26)	-	(2.26)
Employee stock option compensation for the year	-	-	-	2.51	-	-	2.51	-	2.51
As at March 31, 2020	**265.61**	**49.95**	**1,483.59**	**8.61**	**818.54**	**(36.07)**	**2,590.23**	**108.95**	**2,699.18**
Profit for the year	-	-	-	-	134.04	-	134.04	(2.63)	131.40
Other comprehensive income	-	-	-	-	0.13	32.13	32.26	-	32.26
Premium on equity shares issued during the year	-	-	788.68	-	-	-	788.68	-	788.68
Premium on exercise of stock options	-	-	4.39	(2.05)	-	-	2.34	-	2.34
Transferred to statutory reserves	28.48	-	-	-	(28.48)	-	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	(13.53)	-	-	-	(13.53)	-	(13.53)
Employee stock option compensation for the year	-	-	-	1.96	-	-	1.96	-	1.96
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	-	-	-	(1.49)	(1.49)
As at March 31, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**924.22**	**(3.94)**	**3,535.97**	**104.83**	**3,640.80**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary

Place: Bangalore
Date: May 06, 2021

CreditAccess Grameen Limited
Statement of consolidated cash flows for the year ended March 31, 2021

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities:		
Profit before tax	180.40	461.60
Adjustments for:		
Interest income on loans	(2,264.41)	(1,632.85)
Interest on deposits with banks and financial institutions	(25.62)	(6.34)
Depreciation and amortisation expenses	44.07	20.37
Finance costs	928.72	578.34
Impairment on financial instruments	771.36	237.27
Net gain on financial instruments at fair value through profit or loss	(20.01)	(15.02)
Gain on derecognition of loans designated at FVTOCI	(112.89)	(41.33)
Other Income	(9.68)	(4.19)
Share based payments to employees	1.96	2.51
Provision for other assets	0.20	0.32
	(686.30)	**(860.92)**
Operational cash flows from interest:		
Interest income on loans	2,235.18	1,587.43
Finance costs	(896.09)	(558.50)
Working capital changes:		
(Increase) in loans	(1,311.08)	(2,742.42)
Decrease / (Increase) in other receivables	0.22	(0.13)
Decrease in other financial assets	39.18	38.43
(Increase) in other non-financial assets	(2.98)	(1.57)
Increase / (Decrease) in trade and other payables	94.17	(23.33)
Increase in other financial liabilities	2.31	0.88
Increase in provisions	5.39	4.19
Increase in other non-financial liabilities	0.15	4.62
Decrease in derivative financial instruments	-	1.10
	(1,172.64)	**(2,718.23)**
Income tax paid (net of refunds)	(115.22)	(164.02)
Net cash flows (used in) operating activities (A)	**(454.67)**	**(2,252.64)**
Cash flow from investing activities:		
Purchase of property, plant and equipment	(4.74)	(14.36)
Proceeds from sale of property, plant and equipment	0.46	0.12
Purchase of Intangible assets and expenditure on Intangible assets under development	(9.82)	(7.44)
Interest on deposits with banks and financial institutions	25.62	6.34
Decrease / (increase) in bank balance other than cash and cash equivalents	(51.52)	23.85
Purchase of investments	(8,206.90)	(9,240.63)
Sale of investments	8,271.92	9,285.72
Investment in equity shares of subsidiary	(1.49)	(661.24)
Net cash flows from / (used in) investing activities (B)	**23.53**	**(607.64)**
Cash flow from financing activities:		
Debt securities issued (net)	853.42	88.72
Borrowings other than debt securities issued (net)	522.19	2,839.72
Subordinated liabilities repaid (net)	-	(11.39)
Payment of Lease liability (net)	(18.33)	(5.93)
Proceeds from issuance of equity share capital including securities premium	799.99	3.59
Proceeds from the Employee Stock options	2.62	-
Expenses incurred towards issuance of equity shares	(13.53)	-
Net cash flows from financing activities (C)	**2,146.36**	**2,914.71**
Net increase in cash and cash equivalents	**1,715.22**	**54.43**
Cash and cash equivalents as at the beginning of the year	644.87	590.44
Cash and cash equivalents as at the end of the year	**2,360.09**	**644.87**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary

Place: Bangalore
Date: May 06, 2021

1. Corporate information

CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) (‘the Holding Company’) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company (‘NBFC-ND’) with the Reserve Bank of India (‘RBI’) and has got classified as a Non-Banking Financial Company – Micro Finance Institution (‘NBFC-MFI’) with effect from September 5, 2013. The Company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE').The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B- 02.00252) located at New No. 49 (Old No. 725), 46th Cross,8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India.

The Holding Company along with its subsidiaries (the "Group") is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups (‘JLG’) or Self Help Groups ('SHG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members. The financial statements of the Holding Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 6, 2021.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated. These consolidated financial statements have been prepared on a going concern basis.

2.1. Presentation of consolidated financial statements

The Group presents its balance sheet in order of liquidity.

The Group generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

Details of Companies Consolidated in these consolidated financial statements:

Name of the Company	Type	Country of Incorporation	Holding as at March 31, 2021	Holding as at March 31, 2020
CreditAccess Grameen Limited	Holding Company	India	Holding Company	Holding Company
Madura Micro Finance Limited	Subsidiary Company	India	76.25%	76.08%

2.2. Critical accounting estimates and judgements

The preparation of the Group’s financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management’s estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment (Refer Note no. 3.14)
- Fair value of financial instruments (Refer Note no. 3.17)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no. 3.15)
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiary, being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

1. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
2. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.
3. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
4. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
5. The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
6. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

3.1.1 Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

3.1.2 Interest on financial assets at fair value through profit and loss (FVTPL) is recognised in accordance with the contractual terms of the instrument.

3.1.3 The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

3.1.4 The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.1.5 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.6 Dividend Income

Dividend income is recognised when the right to receive payment is established.

3.2 Finance cost

Borrowing cost on financial liabilities including towards securitisation transactions not derecognised by the Group are recognised by applying the EIR.

3.3 Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to cash with an insignificant risk of changes in value.

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6

3.6.1

Category of Asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

g the straight line method as per the useful lives of the assets estimated by the nder:

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated, supported by independent assessment by professionals, the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

3.6.2 Amortisation of intangible assets and Impairment of Goodwill

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. Customer relationship is amortised over the 10 years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.7 Impairment of non–financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3 Other employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11 Taxes

3.11.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 37.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the "Share options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1 Financial Assets

3.14.1.1. Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2. Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3. Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:
(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4. Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5. Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

3.14.2 Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Group has transferred substantially all the risks and rewards of the asset

or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 40.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 40.

Accordingly, the Group groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 40). The Group records an allowance for the LTECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Group calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 40 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantegeous market must be accessible by the Group.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
• Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
• Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 - Unobservable inputs for the asset or liability.

3.18 Segment information

The Group operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Group operates in a single geographical segment i.e. domestic.

3.19 Business combination

3.19.1 Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

3.19.2 Other business combinations

The Group uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.20 Foreign currency

3.20.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.20.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.20.3 Exchange differences arising on the settlement of monetary items or on the restatement of Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.21 Leases (where the Group is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

The Group as a lessee
The Group's lease asset classes primarily consist of leases for office premises and servers. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
(i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.
At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

3.22 Investments

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Group irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI). All other investments are classified and measured as FVTPL only.

4 Cash and cash equivalents ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Cash in hand	8.24	1.38
Balances with Banks in current accounts	217.03	203.25
Bank deposit with maturity of less than 3 months	2,134.82	440.24
Total	**2,360.09**	**644.87**

5 Bank balance other than cash and cash equivalents ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Fixed deposit with bank not considered as cash and cash equivalents*	124.29	72.77
Total	**124.29**	**72.77**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Other receivables ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Other receivables	-	0.22
Total	**-**	**0.22**

The above does not include the debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

7 Loans ₹ in crore

Particulars	March 31,2021			March 31, 2020		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Group lending **	2,650.95	9,275.37	11,926.32	2,915.95	7,989.03	10,904.98
Individual loans	416.79	-	416.79	506.31	-	506.31
Total - Gross	**3,067.74**	**9,275.37**	**12,343.11**	**3,422.26**	**7,989.03**	**11,411.29**
Less: Impairment loss allowance	240.59	382.04	622.63	88.83	223.55	312.38
Total - Net*	**2,827.15**	**8,893.33**	**11,720.48**	**3,333.43**	**7,765.48**	**11,098.91**
(B) (a) Secured by tangible assets	6.35	-	6.35	6.43	-	6.43
(b) Unsecured	3,061.40	9,275.37	12,336.76	3,415.83	7,989.03	11,404.86
Total - Gross	**3,067.74**	**9,275.37**	**12,343.11**	**3,422.26**	**7,989.03**	**11,411.29**
Less: Impairment loss allowance	240.59	382.04	622.63	88.83	223.55	312.38
Total - Net*	**2,827.15**	**8,893.33**	**11,720.48**	**3,333.43**	**7,765.48**	**11,098.91**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	3,067.74	9,275.37	12,343.11	3,422.26	7,989.03	11,411.29
Total - Gross	**3,067.74**	**9,275.37**	**12,343.11**	**3,422.26**	**7,989.03**	**11,411.29**
Less: Impairment loss allowance	240.59	382.04	622.63	88.83	223.55	312.38
Total - Net*	**2,827.15**	**8,893.33**	**11,720.48**	**3,333.43**	**7,765.48**	**11,098.91**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-

*Includes fair value of loans designated at FVOCI.
** Group Lending includes both Joint Liability Loans and Self Help Group Loans

7(A) Group lending loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances (including loans measured at FVTOCI) in relation to Group lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2020	**10,681.17**	**59.77**	**164.04**	**10,904.98**
(a) New assets originated or purchased	9,659.05	-	-	9,659.05
(b) Asset derecognised or repaid (Excluding write offs) #	(7,715.11)	(339.09)	(149.74)	(8,203.94)
Assets written off during the year	-	-	(433.77)	(433.77)
Movement between stages				
Transfer from Stage 1	(1,527.79)	1,195.07	332.72	-
Transfer from Stage 2	91.34	(709.75)	618.41	-
Transfer from Stage 3	11.40	4.24	(15.64)	-
Gross carrying value of assets as at 31st March 2021	**11,200.06**	**210.24**	**516.02**	**11,926.32**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2020	**162.08**	**17.48**	**118.13**	**297.69**
(a) New assets originated or purchased	66.10	-	-	66.10
(b) Asset derecognised or repaid (Excluding write offs) #	(52.25)	(143.28)	(111.00)	(306.53)
Assets written off during the year	-	-	(433.77)	(433.77)
Movement between stages				
Transfer from Stage 1	(11.37)	8.44	2.93	-
Transfer from Stage 2	39.13	(298.97)	259.84	-
Transfer from Stage 3	8.54	3.17	(11.71)	-
Impact on ECL on account of movement between stages	(30.20)	455.08	523.12	948.00
ECL allowance as at 31st March 2021 *	**182.03**	**41.92**	**347.54**	**571.49**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 382.04 crores

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019	8,257.10	61.56	65.07	8,383.73
(a) New assets originated or purchased	9,909.69	-	-	9,909.69
(b) Asset derecognised or repaid (Excluding write offs) #	(7,340.30)	(3.87)	3.38	(7,340.79)
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages				
Transfer from Stage 1	(146.11)	10.91	135.20	-
Transfer from Stage 2	0.78	(8.84)	8.06	-
Transfer from Stage 3	0.01	0.01	(0.02)	-
Gross carrying value of assets as at 31st March 2020	**10,681.17**	**59.77**	**164.04**	**10,904.98**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	**58.01**	**11.96**	**48.17**	**118.14**
(a) New assets originated or purchased	68.40	-	-	**68.40**
(b) Asset derecognised or repaid (Excluding write offs) #	(50.83)	(1.37)	2.43	**(49.77)**
Assets written off during the year	-	-	(47.65)	**(47.65)**
Movement between stages				
Transfer from Stage 1	(1.00)	0.07	0.93	**-**
Transfer from Stage 2	0.16	(3.20)	3.04	**-**
Transfer from Stage 3	0.01	0.01	(0.02)	**-**
	-	-	-	**-**
Impact on ECL on account of movement between stages	87.33	10.01	111.23	**208.57**
ECL allowance as at 31st March 2020*	**162.08**	**17.48**	**118.13**	**297.69**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 223.55 crores.

7(B) Individual lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2020	490.89	5.66	9.76	506.31
(a) New assets originated or purchased	192.83	-	-	192.83
(b) Asset derecognised or repaid (Excluding write offs) #	(243.90)	(6.12)	(5.02)	(255.04)
Assets written off during the year	-	-	(27.30)	(27.30)
Movement between stages				
Transfer from Stage 1	(69.87)	35.37	34.50	-
Transfer from Stage 2	1.39	(22.36)	20.97	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Gross carrying value of assets as at 31st March 2021	**371.50**	**12.63**	**32.67**	**416.80**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2020	**1.86**	**2.97**	**9.86**	**14.69**
(a) New assets originated or purchased	3.86	-	-	3.86
(b) Asset derecognised or repaid (Excluding write offs) #	(4.83)	(3.08)	(4.98)	(12.89)
Assets written off during the year			(27.30)	(27.30)
Movement between stages				
Transfer from Stage 1	(1.86)	0.70	1.16	-
Transfer from Stage 2	0.69	(11.19)	10.50	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Impact on ECL on account of movement between stages	12.53	16.69	43.57	72.79
ECL allowance as at 31st March 2021	**12.41**	**6.17**	**32.57**	**51.15**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019	329.89	0.61	0.53	331.03
(a) New assets originated or purchased	425.47	-	-	425.47
(b) Asset derecognised or repaid (Excluding write offs) #	(247.68)	0.14	(0.11)	(247.65)
Assets written off during the year	-	-	(2.54)	(2.54)
Movement between stages				
Transfer from Stage 1	(16.79)	4.93	11.86	-
Transfer from Stage 2	0.00	(0.02)	0.02	-
Transfer from Stage 3	0.00	-	(0.00)	-
Gross carrying value of assets as at 31st March 2020	**490.89**	**5.66**	**9.76**	**506.31**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	**6.17**	**0.00**	**0.49**	**6.66**
				-
(a) New assets originated or purchased	1.59	-	-	**1.59**
(b) Asset derecognised or repaid (Excluding write offs) #	(0.92)	0.08	(0.11)	**(0.95)**
Assets written off during the year	-	-	(2.54)	**(2.54)**
Movement between stages				
Transfer from Stage 1	(0.06)	0.02	0.04	**-**
Transfer from Stage 2	0.00	(0.01)	0.01	**-**
Transfer from Stage 3	0.00	-	(0.00)	**-**
Impact on ECL on account of movement between stages	(4.92)	2.88	11.97	**9.93**
ECL allowance as at 31st March 2020	**1.86**	**2.97**	**9.86**	**14.69**

Represents balancing figure.

8 Investments ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Investments		
A) In India		
At fair value through profit and loss		
(a) Alpha Microfinance Consultants Private Ltd	0.54	0.54
(b) Mutual funds	-	45.02
Total	**0.54**	**45.56**
B) Outside India	-	-
Less: Allowance for impairment loss	-	-
Total	**0.54**	**45.56**

9 Other financial assets ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Receivable from assignment of portfolio (unsecured, considered good)	105.48	35.77
Security deposits (unsecured, considered good)	11.73	11.42
Loans and advances to employees (unsecured, considered good)	8.17	6.57
Other advances		
Unsecured, considered good	1.72	3.19
Unsecured, considered doubtful	0.39	0.16
Less: Provision for doubtful advances	(0.39)	(0.16)
Others	4.95	1.41
Total	**132.05**	**58.36**

10 Other non-financial assets ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Prepaid expenses	5.41	5.18
Advances to employees	-	0.14
Capital Advance	1.18	-
Other advances		
Unsecured, considered good	6.88	5.31
Unsecured, considered doubtful	0.98	1.17
Less: Provision for doubtful advances	(0.98)	(1.17)
Total	**13.47**	**10.63**

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2021

₹ in crore

11 (A)

Particulars	Property, plant and equipment								Total	Right of use assets		Total	Intangible assets		
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Freehold land	Buildings		Buildings	Computer		Computer software	Customer relationship	Total
Cost:															
At March 31, 2019	8.11	0.54	5.78	6.80	12.05	0.62	-	-	33.90	15.19	33.39	**48.58**	14.07	-	**14.07**
Additions	3.42	0.24	3.59	2.25	4.81	-	-	-	14.31	7.35	4.46	**11.81**	6.97		**6.97**
Additions relating to acquisitions	4.48	0.17	1.33	0.25	0.99	0.00	0.17	0.21	7.60	1.69		**1.69**	0.91	162.82	**163.73**
Disposals	(0.16)	(0.02)	(0.06)	-	(0.40)	-	-	-	(0.64)	-	-	**-**	(0.01)		**(0.01)**
At March 31, 2020	**15.85**	**0.93**	**10.64**	**9.30**	**17.45**	**0.62**	**0.17**	**0.21**	**55.17**	**24.23**	**37.85**	**62.08**	**21.94**	**162.82**	**184.76**
At April 1, 2020															
Additions	2.15	0.03	0.13	0.10	1.17	0.01	-	-	3.59	0.31	24.88	**25.19**	12.02	-	**12.02**
Disposals	(0.56)	(0.05)	(0.20)	(0.16)	(0.63)	-	-	-	(1.60)	(0.11)	-	**(0.11)**	(0.24)	-	**(0.24)**
At March 31, 2021	**17.44**	**0.91**	**10.57**	**9.24**	**17.99**	**0.63**	**0.17**	**0.21**	**57.16**	**24.43**	**62.73**	**87.16**	**33.72**	**162.82**	**196.54**
Depreciation/Amortisation:															
At March 31, 2019	5.32	0.51	3.89	2.40	2.72	0.32	-	-	15.16	-	-	**-**	8.06	-	**8.06**
Depreciation/Amortisation charge for the year	2.10	0.22	1.77	1.51	3.15	0.08	0.00		8.83	3.82	3.66	**7.48**	3.50	0.58	**4.08**
Disposals	(0.15)	(0.02)	(0.05)	-	(0.29)	-			(0.51)		-	**-**	(0.01)		**(0.01)**
At March 31, 2020	**7.27**	**0.71**	**5.61**	**3.91**	**5.58**	**0.40**	**0.00**	**-**	**23.48**	**3.82**	**3.66**	**7.48**	**11.55**	**0.58**	**12.13**
Depreciation/Amortisation charge for the year	4.68	0.05	0.69	1.51	3.68	0.07	-	0.01	10.69	4.43	7.83	**12.26**	4.75	16.37	**21.12**
Disposals	(0.30)	(0.05)	(0.19)	(0.16)	(0.46)	-	-	-	(1.16)	(0.08)	-	**(0.08)**	(0.25)	-	**(0.25)**
At March 31, 2021	**11.65**	**0.71**	**6.11**	**5.26**	**8.80**	**0.47**	**0.00**	**0.01**	**33.01**	**8.17**	**11.49**	**19.66**	**16.05**	**16.95**	**33.00**
Net book value:															
At March 31, 2019	**2.79**	**0.03**	**1.89**	**4.40**	**9.33**	**0.30**	**-**	**-**	**18.74**	**15.19**	**33.39**	**48.58**	**6.01**	**-**	**6.01**
At March 31, 2020	**8.58**	**0.22**	**5.03**	**5.39**	**11.87**	**0.22**	**0.17**	**0.21**	**31.69**	**20.41**	**34.19**	**54.60**	**10.39**	**162.24**	**172.63**
At March 31, 2021	**5.79**	**0.20**	**4.46**	**3.98**	**9.19**	**0.16**	**0.17**	**0.20**	**24.15**	**16.26**	**51.24**	**67.50**	**17.67**	**145.87**	**163.54**

Note: The land and building is under mortgage as additional security for debentures listed.

11 (B) Intangible assets under development

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Opening	2.84	2.36
Additions during the year	2.00	2.96
Less: Capitalised during the year	(4.22)	(2.48)
Closing	**0.62**	**2.84**

12 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Debentures (secured)	1,659.94	792.58
Debentures (unsecured)	15.01	-
Total	**1,674.95**	**792.58**
Debt securities in India	980.29	137.51
Debt securities outside India	694.66	655.07
Total	**1,674.95**	**792.58**
Nature of security The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Group.		

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
11.68% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable at par at the end of six year ₹ (subject to exercise of put option by the lender at the end of three year ₹) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.48	19.49
11.47% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable at par at the end of six year ₹ (subject to exercise of put option by the lender at the end of three year ₹) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.47	19.50
11.11% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Three year ₹ from the date of allotment i.e. February 28, 2020.	800	800	10,00,000	80.33	80.16
11.80% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable at par at the end of six year ₹ (subject to exercise of put option by the lender at the end of three year ₹) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	300	10,00,000	-	30.72
11.60% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after six year ₹ (subject to exercise of put option by the lender at the end of three year ₹) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	10,00,000	100.95	101.52
11.21% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable at par at the end of six year ₹ (subject to exercise of put option by the lender at the end of forty six months) from the date of allotment i.e. March 31, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	300	10,00,000	-	29.31
10.34% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable (date of allotment being May 31, 2017) from June 2020 in 3 installments ending on 03 June 2022.	905	1,350	10,00,000	93.19	138.88
9.50% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Five year ₹ from the date of allotment i.e. November 8, 2019.	2,140	2,140	10,00,000	219.39	218.58
10.5% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Thirty Four from the date of allotment i.e. June 29, 2020.	1,208	-	10,00,000	123.74	-
9.81% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Thity Five Months from the date of allotment i.e. July 31, 2020.	250	-	10,00,000	25.31	-
10% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Three year ₹ from the date of allotment i.e. June 26, 2020.	500	-	10,00,000	53.52	-
10.05% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Three year ₹ from the date of allotment i.e. July 3, 2020.	300	-	10,00,000	32.10	-
9.95% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Three year ₹ from the date of allotment i.e. July 27, 2020.	1,000	-	10,00,000	106.57	-
10.20% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	170	170	10,00,000	16.94	16.91
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	500	-	10,00,000	52.84	-
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	360	-	10,00,000	37.98	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	500	-	10,00,000	49.93	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	500	-	10,00,000	49.97	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	1,000	-	10,00,000	103.73	-

Debentures (secured) (at amortised cost) (continued)

9.15% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	250	-	10,00,000	25.80	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	1,000	-	10,00,000	100.35	-
8.65% Secured Redeemable Market Linked Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Two year ₹ from the date of allotment i.e. March 25, 2021.	500	-	10,00,000	49.55	-
10.4189% Secured Redeemable Non-convertible Debentures of face value of ₹.1,000,000 each redeemable after Three year ₹ from the date of allotment i.e. March 31, 2021.	1,450	-	10,00,000	144.89	-
11.50% Non-Convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD has redeemed in one bullet payment on 31-July-2020.	-	400	10,00,000	-	40.76
14.15% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. 99.99% is redeemed on 13-Sep-2019 and balance has redeemed on maturity date i.e. 13-Sep-2020.	-	366	10,00,000	-	-
11.40% Non-convertible Debentures - Privately placed, Un-listed Secured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD has redeemed in one bullet payment on 05-Dec-2020.	-	330	10,00,000	-	34.34
11.40% Non-convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD has redeemed in one bullet payment on 31-Dec-2020.	-	250	10,00,000	-	24.96
10.11% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 30-Jun-2022, with redeemed in four equal installment on 04-Oct-2021, 31-Dec-2021, 31-Mar-2022 and balance redeemed on 30-Jun-2022	250	-	10,00,000	25.01	-
10.50% Non-convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures. The NCD is redeemable in one bullet payment on 17-Feb-2022.	500	-	10,00,000	53.26	-
11.00% Non-Convertible Debentures - Privately placed, unlisted Secured by exclusive charge on the loans created out of the proceeds of the debentures and immovable properties. 99.99% of the principal amount of the NCD is redeemable on 13-May-2021 and balance on 13-May-2023.	360	360	10,00,000	37.46	37.24
9.80% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 23-Apr-2024, with 99.99% redeemed on 22-Apr-2022 and balance redeemed on 23-Apr-2024.	3,750	-	1,00,000	38.12	-
Total *	**19,583**	**8,156**		**1,659.88**	**792.37**

* The above excludes the impact of fair valuation of debt securities on acquisition.

Debentures (unsecured) at amortised cost

Terms of debentures	**Number of debentures**		**Face value**	**Amount (₹ in crores)**	
	March 31, 2021	**March 31, 2020**	**(in Rs)**	**March 31, 2021**	**March 31, 2020**
13.00% Non-Convertible Debentures - Privately placed, listed, unsecured .The NCD is redeemable on 16-Aug-2021.	150	-	10,00,000	15.01	-

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	10% - 10.5%	3	18.75	1	6.25	-	-	-	-	-	-	-	-	25.00
			9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	1	50.00	-	-	2	80.00	-	-	-	-	-	-	130.00
			12.5% - 13%	1	15.00	-	-	-	-	-	-	-	-	-	-	15.00
		Above 3 years	9.5% - 10%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
			10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			10.5% - 11%	2	36.00	-	-	-	-	-	-	-	-	-	-	36.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	162	480.03	58	119.19	-	-	-	-	-	-	-	-	599.22
			9%-9.5%	130	308.65	89	156.94	14	19.69	-	-	-	-	-	-	485.28
			9.5%-10%	13	7.27	12	5.00	12	5.00	-	-	-	-	-	-	17.27
			10% - 10.5%	52	87.02	23	43.18	-	-	-	-	-	-	-	-	130.20
			10.5% - 11%	62	67.58	3	3.57	-	-	-	-	-	-	-	-	71.15
			11% - 11.5%	52	74.62	19	30.33	-	-	-	-	-	-	-	-	104.95
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	24	410.87	14	368.78	-	-	-	-	-	-	-	-	779.65
			9%-9.5%	22	11.00	24	12.51	17	10.33	-	-	-	-	-	-	33.84
			9.5%-10%	16	11.49	-	-	-	-	-	-	-	-	-	-	11.49
			10%-10.5%	66	49.57	48	42.27	11	10.80	-	-	-	-	-	-	102.64
			10.5% - 11%	36	20.42	11	9.57	-	-	-	-	-	-	-	-	29.99
			11% - 11.5%	19	6.17	-	-	-	-	-	-	-	-	-	-	6.17
			11.5% - 12%	24	56.52	14	34.36	-	-	-	-	-	-	-	-	90.88
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
			9.5% - 10%	4	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10% - 10.5%	2	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10.5% - 11%	3	28.57	-	-	-	-	-	-	-	-	-	-	28.57
		Above 3 years	10.5% - 11%	1	0.83	-	-	-	-	-	-	-	-	-	-	0.83
	Half Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
			8.5% - 9%	2	60.00	-	-	-	-	-	-	-	-	-	-	60.00
			9.5% - 10%	2	80.00	-	-	-	-	-	-	-	-	-	-	80.00

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2021

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	25	142.82	2	16.00	-	-	-	-	-	-	-	-	158.82
			6.5% - 7%	2	20.00	-	-	-	-	-	-	-	-	-	-	20.00
			7% - 7.5%	11	9.82	-	-	-	-	-	-	-	-	-	-	9.82
			11.5% - 12%	2	2.48	-	-	-	-	-	-	-	-	-	-	2.48
		Above 3 years	6.5% - 7%	6	7.33	-	-	-	-	-	-	-	-	-	-	7.33
			12.5% - 13%	12	40.00	-	-	-	-	-	-	-	-	-	-	40.00
	Quaterly	Above 3 years	9% - 9.5%	4	28.00	4	28.00	4	28.00	4	8.00	4	8.00	-	-	100.00
			11.5% - 12%	4	15.00	4	12.25	4	2.50	3	1.50	-	-	-	-	31.25
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
			6.5% - 7%	2	50	1	25	-	-	-	-	-	-	-	-	74.99
		Above 3 years	10.5%-11%	14	20.60	8	12.30	-	-	-	-	-	-	-	-	32.90
			11% - 11.5%	1	1	-	-	-	-	-	-	-	-	-	-	0.63
			11.5%-12%	18	305.20	18	331.90	16	409.15	6	180.00	-	-	-	-	1,226.25
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-		-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-		-	33.48
			9.5%-10%	23	22.22	14	13.82	2	3.34	-	-	-	-		-	39.38
			10% - 10.5%	80	150.61	46	65.93	-	-	-	-	-	-	-	-	216.54
			10.5% - 11%	12	13.19	3	4.21	-	-	-	-	-	-	-	-	17.40
			11% - 11.5%	20	10.23	-	-	-	-	-	-	-	-	-	-	10.23
			11.5% - 12%	3	50.00	-	-	-	-	-	-	-	-	-	-	50.00
		Above 3 Years	9% - 9.5%	8	6.06	12	9.09	12	9.09	1.00	0.76	-	-	-	-	25.00
			10% - 10.5%	2	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			11% - 11.5%	2	0.71	-	-	-	-	-	-	-	-	-	-	0.71
	Quarterly	1-3 years	10% - 10.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	24.99
			11.5% - 12%	4	5.45	3	4.09	-	-	-	-	-	-	-	-	9.54
		Above 3 Years	11.5% - 12%	7	6.50	-	-	-	-	-	-	-	-	-	-	6.50
	Half Yearly	1-3 Years	10% - 10.5%	2	25.00	-	-	-	-	-	-	-	-	-	-	25.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**1,597.00**	**6,176.95**	**769**	**3,189.82**	**140**	**1,132.67**	**16**	**297.26**	**4.00**	**8.00**	**-**	**-**	**10,804.71**

Note: The above amount pertains to the principal outstanding only.

Terms of repayment of borrowings as on March 31, 2020

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Half Yearly	Above 3 years	9.5%-10%	-	-	-	-	-	-	2	107.00	2	107.00	-	-	214.00
	Bullet	1-3 years	11% - 11.5%	3	98.00	-	-	-	-	-	-	-	-	-	-	98.00
		Above 3 years	11.00%-11.5%	2	49.50	-	-	1	80.00	-	-	-	-	-	-	129.50
			10%-10.5%	-	-	-	-	1	17.00	-	-	-	-	-	-	17.00
			10.5% - 11%	-	-	2	36.00	-	-	2	0.00	-	-	-	-	36.00
			14% - 14.5%	1	0.00	-	-	-	-	-	-	-	-	-	-	0.00
			11.5%-12%	3	149.50	-	-	-	-	-	-	-	-	-	-	149.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	44.55	1	45.90	-	-	-	-	-	-	135.00
					-						-		-			
Term loan banks	Monthly	1-3 years	8.5%-9%	150	945.99	129	875.55	10	279.24	-	-	-	-	-	-	2,100.78
			9%-9.5%	185	762.88	88	324.23	2	4.17	-	-	-	-	-	-	1,091.28
			9.5%-10%	34	75.44	12	10.91	-	-	-	-	-	-	-	-	86.35
			10%-10.5%	57	98.10	17	24.01	11	16.67	-	-	-	-	-	-	138.78
			10.5%-11%	191	199.17	108	135.21	24	25.95	-	-	-	-	-	-	360.33
			11% - 11.5%	83	75.63	50	37.65	6	3.40	-	-					116.68
			11.5% - 12%	20	11.11	7	2.64	-	-	-	-					13.75
		Above 3 years	9%-9.5%	18	87.50	24	116.67	24	116.67	6	29.17	-	-	-	-	350.01
			10%-10.5%	11	5.06	3	1.29	-	-	-	-	-	-	-	-	6.35
			10.5%-11%	39	14.12	32	8.89	24	6.67	4	1.11	-	-	-	-	30.79
			11% - 11.5%	10	1	12	1.33	1	0.11	-	-	-	-	-	-	2.55
	Quarterly	1-3 years	8%-8.5%	8	120.00	-	-	-	-	-	-	-	-	-	-	120.00
			8.5%-9%	63	410.61	37	155.79	-	-	-	-	-	-	-	-	566.40
			9%-9.5%	11	96.88	2	16.25	-	-	-	-	-	-	-	-	113.13
			10% - 10.5%	7	37.86	2	12.50	-	-	-	-	-	-	-	-	50.36
			10.5% - 11%	16	81.07	5	25.09	-	-	-	-	-	-	-	-	106.16
		Above 3 years	10.5% - 11%	4	3.33	1	0.83	-	-	-	-	-	-	-	-	4.16
	Bullet	1-3 Years	10.5% - 11%	7	140.00	-	-	-	-	-	-	-	-	-	-	140.00
			11% - 11.5%	1	20.00	-	-	-	-	-	-	-	-	-	-	20.00
			8%-8.5%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
			8.5%-9%	1	12.50	1	17.50	-	-	-	-	-	-	-	-	30.00
			9%-9.5%	10	344.00	-	-	-	-	-	-	-	-	-	-	344.00
			7%-7.5%	4	200.00	-	-	-	-	-	-	-	-	-	-	200.00
Term loan from financial institutions	Monthly	1-3 years	9%-9.5%	3	4.91	-	-	-	-	-	-	-	-	-	-	4.91
			6.5% - 7%	12	14.52	6	7.33	-	-	-	-	-	-	-	-	21.85
			7% - 7.5%	12	10.72	11	9.82	-	-	-	-	-	-	-	-	20.54
			11.5% - 12%	12	16.08	2	2.48	-	-	-	-	-	-	-	-	18.56
			12.5% - 13%	12	40.00	12	40.00	-	-	-	-	-	-	-	-	80.00
			6%-6.5%	24	118.72	23	117.82	2	16.00	-	-	-	-	-	-	252.54
	Quarterly	Above 3 years	11.5% - 12%	4	15.00	4	15.00	4	12.25	4	2.50	3	1.50	-	-	46.25
	Half Yearly	Above 3 years	10.5%-11%	8	28.00	8	15.00	5	9.50	-	-	-	-	-	-	52.50
			11% - 11.5%	2	1.25	1	0.63	-	-	-	-	-	-	-	-	1.88
			11.5%-12%	18	208.50	18	305.20	18	331.90	16	409.15	6	180.00	-	-	1,434.75
Term loan from non-banking financial companies	Monthly	1-3 years	9%-9.5%	12	36.52	11	33.48	-	-	-	-	-	-	-	-	70.00
			9.5%-10%	15	47.55	5	13.04	-	-	-	-	-	-	-	-	60.59
			10%-10.5%	29	26.73	12	7.06	-	-	-	-	-	-	-	-	33.79
			10.5% - 11%	42	35	9	9.37	-	-	-	-	-	-	-	-	44.79
			11% - 11.5%	39	26	30	21.56	1	1.17	-	-	-	-	-	-	48.46
	Quarterly	1-3 years	9.5%-10%	3	20.33	-	-	-	-	-	-	-	-	-	-	20.33
			11% - 11.5%	2	8.57	-	-	-	-	-	-	-	-	-	-	8.57
			11.5% - 12%	12	12.79	9	10.12	2	2.73	-	-	-	-	-	-	25.64
External commercial borrowings	Bullet	Above 3 years	10%-10.5%	-	-	1	33.80	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	-	-	1	95.00	-	-	-	-	-	-	-	-	95.00
			11.00%-11.5%	-	-	-	-	1	93.44	-	-	-	-	-	-	93.44
Sub Debt - Debenture	Bullet	Above 3 years	14% - 14.5%							1	50.00					50.00
Sub Debt - Term loan	Bullet	Above 3 years	13.5% - 14%											2	25.00	25.00
			14.5%-15%	-	-	1	25.00	-	-	-	-	-	-	-	-	25.00
Grand Total				**1,202**	**4,805.25**	**697**	**2,608.60**	**138**	**1,062.77**	**35**	**598.93**	**11**	**288.50**	**2.00**	**25.00**	**9,389.05**

Note: The above amount pertains to the principal outstanding only.

13 Borrowings other than debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Term loans (secured)		
Banks	6,256.24	6,037.69
Financials institutions	2,132.53	1,994.13
Non-banking financial companies	490.12	307.49
External commercial borrowings	225.51	223.77
Cash Credit - Banks	-	0.01
Term loans (unsecured)		
Non banking financial companies	50.11	-
Collateralised borrowings from Banks (arising on account of securitisation)	9.17	80.97
Total	**9,163.68**	**8,644.06**
Borrowings in India	8,938.17	8,419.65
Borrowings outside India	225.51	224.41
Total	**9,163.68**	**8,644.06**

The term loans are covered by unsecured microfinance loans to the extent of minimum 100%. Further in respect of Term loans drawn during quarter 4 of FY 2020-21 aggregating to ₹ 622.35 crore, the Group will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

13.1 Delay in repayment

For 2020-21
There were no delay in principal repayment as at March 31, 2021.

For 2019-20
As per Reserve Bank of India circular dated March 27, 2020 on Covid-19 Regulatory package, the Group applied to Banks and Financial Institutions for grant of moratorium in respect of only principal repayments due from March 30, 2020 and onwards. Principal repayment of ₹ 51.79 Crore has not been paid as on March 31, 2020, the delay in payment being less than 3 days in each individual case, pending moratorium approval from Banks. The Group's request for moratorium has been approved by Banks/ Financial Institutions subsequently and repayment has been made good in respect of those Banks who has not granted the moratorium. The lender wise details are tabulated as under:

₹ in crore

Bank / financial institution	Amount (dues delayed) as on the March 31, 2020*	Due date for payment
Axis Bank Limited	10.25	30-Mar-20
Axis Bank Limited	12.50	31-Mar-20
Bajaj Finance Ltd	6.02	31-Mar-20
Bank of Baroda	1.04	31-Mar-20
DCB Bank Limited	0.83	31-Mar-20
Indian Bank	0.43	30-Mar-20
Kotak Mahindra Bank Limited	3.75	30-Mar-20
Oriental Bank of Commerce	1.04	31-Mar-20
Hongkong and Shanghai Banking Corporation Limited	7.50	31-Mar-20
The Lakshmi Vilas Bank Limited	3.64	31-Mar-20
Woori Bank	4.79	31-Mar-20
Total	**51.79**	

The above dues has been subsequently paid off in the current year.

14 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Term Loan	50.26	50.23
Debentures	52.44	52.80
Total	**102.70**	**103.03**
Subordinated Liabilities in India	102.70	103.03
Subordinated Liabilities outside India	-	-
Total	**102.70**	**103.03**

15 Other financial liabilities

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Lease liabilities	75.34	61.90
Others	7.60	5.30
Total	**82.94**	**67.20**

16 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Statutory dues payable	11.37	11.21
Total	**11.37**	**11.21**

17 Provisions

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits:		
Gratuity	7.56	6.27
Leave encashment and availment	17.97	14.04
Total	**25.53**	**20.31**

18 Equity share capital

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Authorised		
Equity shares of ₹ 10 each	160.00	160.00
16,00,00,000 (March 31, 2020 : 16,00,00,000) Equity shares	**160.00**	**160.00**
	March 31, 2021	**March 31, 2020**
Issued, subscibed and fully paid up		
155,582,040 (March 31, 2020: 143,985,459) equity shares of ₹ 10 each fully paid	155.58	143.99

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31-Mar-21		31-Mar-20	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	14,39,85,459	143.99	14,35,52,261	143.55
Add: Issued during the year				
- On account of Qualified Institutional Placement	1,13,15,323	11.31	-	-
- Employee Stock Option Plan	2,81,258	0.28	4,33,198	0.44
Outstanding at the end of the year	**15,55,82,040**	**155.58**	**14,39,85,459**	**143.99**

Pursuant to the approval accorded by the board of directors of the Company (the “Board”), at its meeting held on September 3, 2020 and the special resolution passed by the members of the Company at the Extraordinary General Meeting (EGM) held on September 26, 2020, the Capital Raising Committee of the Board (the “CRC Committee”) has, at its meeting held on October 05, 2020 approved the Qualified institutions placement of equity shares of face value ₹10 each of the Company.

Subsequently, the CRC Committee, at its meeting held on October 8, 2020, approved the allotment of 11,315,323 Equity Shares of face value ₹ 10 each to eligible qualified institutional buyers at the issue price of ₹ 707 per Equity Share (including a premium of ₹ 697 per Equity Share) aggregating to ₹ 799,99,33,361 (Rupees Seven Ninety Nine Crore Ninety Nine Lakh Thirty Three Thousand Three Hundred and Sixty One only).

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2021		March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid				
CreditAccess India NV (Formerly known as CreditAccess Asia NV)	11,51,09,028	73.99%	11,51,09,028	79.94

(d) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 37.

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-21 (No. of equity shares)	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	-	48,90,140	-
Equity shares alloted to CreditAccess India NV (Formerly known as CreditAccess Asia NV) in lieu of conversion of compulsorily convertible debentures	-	-	-	1,29,87,012	-
Total	**-**	**-**	**-**	**1,78,77,152**	**-**

19 Other equity*

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	294.09	265.61
Capital reserve	49.95	49.95
Securities premium	2,263.13	1,483.59
Share options outstanding account	8.52	8.61
Retained earnings	924.22	818.54
Fair valuation of loans through other comprehensive income	(3.94)	(36.07)
Total	**3,535.97**	**2,590.23**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2021.

Nature and purpose of reserve

19.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

19.2 Capital reserve

During the year ended 2018, the Holding Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

19.3 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

19.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

19.5 Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropraitions to specific reserves.

19.6 Other comprehensive income

Fair valuation of loans through other comprehensive income (FVTOCI)

The Group has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

₹ in crore

Movement of other comprehensive income for the year	March 31, 2021	March 31, 2020
Opening balance	(36.07)	(8.70)
(+) Fair value change during the year	(450.50)	(229.95)
(-) Impairment allowance transferred to statement of profit and loss	482.63	202.58
Closing balance	**(3.94)**	**(36.07)**

20 Interest income ₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,615.45	636.00	**2,251.45**	1,358.58	240.88	**1,599.46**
Income from securitisation	-	12.96	**12.96**	-	27.59	**27.59**
Interest on deposits with banks and financial institutions	-	25.62	**25.62**	-	6.34	**6.34**
Total	**1,615.45**	**674.58**	**2,290.03**	**1,358.58**	**274.81**	**1,633.39**

21 Fees and commission income ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Service fees for management of assigned portfolio of loans	0.10	0.31
Service and administration charges	3.01	3.77
Distribution Income	5.39	0.92
Total	**8.50**	**5.00**

22 Net gain on fair value changes ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On portfolio		
- Investments	20.01	15.02
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	112.89	41.33
Total Net gain on fairvalue changes (C)	**132.90**	**56.35**
Fair Value changes:		
- Realised	132.90	56.35
- Unrealised	-	-
Total Net gain on fair value changes	**132.90**	**56.35**

23 Other Income ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	(0.01)	0.06
Miscellaneous income	5.34	1.11
Total	**5.33**	**1.17**

24 Finance costs ₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on debt securities	-	127.95	127.95		64.24	64.24
Interest on borrowings other than debt securities	-	773.61	773.61		494.69	494.69
Interest on subordinated liabilities	-	14.44	14.44		4.27	4.27
Other interest expense						
-Interest on lease liabilities	-	6.56	6.56		5.65	5.65
-Others	-	1.93	1.93		9.17	9.17
On financial liability towards securitisation (re-recognised on balance sheet)		4.23	4.23		0.32	0.32
Total Finance costs	**-**	**928.72**	**928.72**	**-**	**578.34**	**578.34**

25 Impairment of financial instruments ₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Group lending loans	482.63	225.44	**708.07**	202.58	24.12	**226.70**
Individual loans	-	63.29	**63.29**	-	10.57	**10.57**
Total	**482.63**	**288.73**	**771.36**	**202.58**	**34.69**	**237.27**

26 Employee benefit expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	340.21	225.17
Contribution to provident and other funds	35.37	29.36
Share based payments to employees	1.96	2.51
Staff welfare expenses	2.45	5.01
Total	**379.99**	**262.05**

27 Depreciation and amortization expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
-On property, plant and equipment	10.69	8.83
-On intangible assets	21.12	4.08
-On right of use assets	12.26	7.48
Total	**44.07**	**20.37**

28 Other expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Rental charges payable under operating leases (Refer Note 35)	19.28	12.93
Bank charges	4.60	3.79
Rates and taxes	7.62	4.56
Insurance	1.86	0.89
Repairs and maintenance	10.68	7.12
Electricity	3.47	2.82
Travelling and conveyance	49.79	47.07
Postage and telecommunication	13.40	9.80
Printing and stationery	6.30	6.40
Professional and consultancy charges*	16.99	24.46
Remuneration to directors	1.15	0.58
Auditors remuneration (refer Note below)	1.52	1.31
Training expenses	1.86	6.83
Donations	1.92	0.95
Corporate Social Responsibility expenses	7.81	5.55
Provision for other assets	0.20	0.32
Miscellaneous expenses	10.07	9.29
Total	**158.52**	**144.67**

Auditors remuneration ₹ in crore

Particulars	For the year ended	
	March 31, 2021 #	March 31, 2020
As auditor		
Audit fee	0.88	0.78
Limited review	0.45	0.28
Others	0.10	-
In other capacity		
Certification services	0.09	0.19
Reimbursement of expenses	-	0.06
Total	**1.52**	**1.31**

Excludes payment amounting to ₹ 0.68 crore for services in relation to Qualified institutions placement of equity shares, which has been adjusted in securities premium.

***Professional and consultancy charges**

Professional and consultancy charges for the previous year includes Acquisition-related costs of ₹ 15.22 crore that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Details of CSR expenditure ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
a) Gross amount required to be spent by the Group during the year	9.73	5.55
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	6.66	5.55

Note: The Group is in the process of depositing the unspent amount in relation to the CSR expenditure.

29 Income tax

₹ in crore

(A)

Particulars	**For the year ended**	
	March 31, 2021	**March 31, 2020**
Current tax	106.44	160.47
Deferred tax	(57.44)	(34.36)
Total tax charge	**49.00**	**126.11**

(B) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in crore

Particulars	**For the year ended**	
	March 31, 2021	**March 31, 2020**
Profit before tax	180.40	461.60
At India's statutory income tax rate of 25.17% (2020: 25.17%)	45.41	116.16
(a) Non deductible expenses		
Interest	0.15	-
Donations	0.48	0.12
CSR	2.47	0.70
Employee stock option cost	0.49	0.63
(b) Change in tax rate	-	8.50
Income tax expense reported in statement of profit and loss	**49.00**	**126.11**

(C) Movement in deferred tax balances for the year ended March 31, 2021

₹ in crore

Particulars	Net balance April 1, 2020	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.86	0.74	-	-	3.60	3.60	-
Remeasurement gain / (loss) on defined benefit plan	4.22	1.18	0.01	-	5.41	5.41	-
Provision for donation	0.61	(0.62)	-	-	(0.01)	-	(0.01)
Impairment allowance for loans	69.11	79.40	-	-	148.51	148.51	-
Expenses incurred on Initial Public Offering	4.37	(1.46)	-	-	2.91	2.91	-
Other items	15.33	(25.43)	(10.80)	-	(20.90)	-	(20.90)
On account of acquisition of MMFL	(39.06)	3.63	-	-	(35.43)	-	(35.43)
Net Deferred tax assets / (liabilities)	**57.44**	**57.44**	**(10.79)**	**-**	**104.09**	**160.43**	**(56.34)**

(D) Movement in deferred tax balances for the year ended March 31, 2020

₹ in crore

Particulars	Net balance April 1, 2019	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Arising through business combination	Net balance March 31, 2020	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)								
Impact of difference between tax depreciation/ amortisation	2.33	0.52	-	-	-	2.86	2.86	-
Remeasurement gain / (loss) on defined benefit plan	3.81	0.41	-	-	-	4.22	4.22	-
Provision for donation	0.70	(0.08)	-	-	-	0.61	0.61	-
Impairment allowance for loans	35.82	33.29	-	-	-	69.11	69.11	-
Expenses incurred on Initial Public Offering	8.10	(1.46)	-	(2.26)	-	4.37	4.37	-
Other items	6.33	1.54	7.46	-	-	15.33	15.33	-
On account of acquisition of MMFL		0.15			(39.21)	(39.06)	-	(39.06)
Net Deferred tax assets / (liabilities)	**57.09**	**34.36**	**7.46**	**(2.26)**	**(39.21)**	**57.44**	**96.50**	**(39.06)**

(E) The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets (net)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Income tax assets	595.94	497.39
Income tax liabilities	565.10	475.28
Total	**30.84**	**22.11**

30 Employee benefits

A. Defined benefit plan

The Group provides for the gratuity, a defined benefit retirement plan covering qualifying employees . Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity is a funded plan for Holding Company and unfunded plan for Subsidiary Company and the Company makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity fund.

B. Defined contribution plan

The Group makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Group are administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Group recognised ₹ 20.68 crore (March 31, 2020: ₹ 16.70) for Provident fund contributions and ₹ 5.88 crore (March 31, 2020: ₹ 5.59 crore) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

30.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	16.84	12.10
Current service cost	5.22	4.25
Interest cost	1.08	0.73
Past service cost	-	-
Benefits settled	(1.11)	(0.60)
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	0.31	(1.09)
- Changes in demographic assumptions	0.48	(0.69)
- Changes in financial assumptions	(1.17)	2.14
Obligation at the end of the year	**21.65**	**16.84**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	10.57	6.21
Interest income on plan assets	0.82	0.49
Re-measurement- actuarial gain	(0.21)	0.12
Return on plan assets recognised in other comprehensive income	-	-
Contributions	3.69	4.13
Benefits settled	(0.78)	(0.38)
Plan assets at the end of the year, at fair value	**14.08**	**10.57**
Net defined benefit liability	**7.56**	**6.27**

30.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Current service cost	5.22	4.25
Interest cost	0.26	0.24
Net gratuity cost	**5.48**	**4.48**

30.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	0.31	(1.21)
- Changes in demographic assumptions	0.48	(0.69)
- Changes in financial assumptions	(1.17)	2.00
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.21	(0.12)
Total Actuarial (gains) / losses included in OCI	**(0.17)**	**(0.02)**

30.4 Plan assets

Particulars	March 31, 2021	March 31, 2020
Funds managed by insurer	100%	100%

30.5 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	4.85% - 6.79%	4.90% - 6.03%
Future salary growth	10.00%	10.00%
Attrition rate	22.85% - 30.00%	24.8% - 30.00%
Normal retirement age	60 years	60 years
Average term of liabilty (in years)	7.79	9.05

30.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4.68)	5.22	(3.62)	4.04
Future salary growth (1% movement)	4.97	(4.52)	3.81	(3.48)
Attrition rate (1% movement) (In case of MMFL 50% movement)	(3.19)	5.29	(2.53)	4.07
Mortality Rate (- / + 10% of mortality rates)	3.36	3.36	2.58	2.58

30.7 Expected contribution to the plan for the next annual reporting period is ₹ 5.74 crore.
The weighted average duration of the defined benefit obligation of Holding Company is 7.79 years & of Subsidiary Company is 4 years. [March 2020 - 9.47 years (Holding Company) and 4 years (Subsidiary Company)]. The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2021								
Gratuity	2.90	2.17	1.87	1.66	1.36	4.46	29.17	43.59
Total	**2.90**	**2.17**	**1.87**	**1.66**	**1.36**	**4.46**	**29.17**	**43.59**
31 March, 2020								
Gratuity	2.33	1.64	1.43	1.21	1.10	3.48	20.10	31.29
Total	**2.33**	**1.64**	**1.43**	**1.21**	**1.10**	**3.48**	**20.10**	**31.29**

30.8 Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments

Inflation risk
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy
The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Code on Social Security
The Indian Parliament has approved the Code on Social Security, 2020 (the "Code") which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2021

31 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	2,360.09	-	**2,360.09**
(b)	Bank balance other than cash and cash equivalents	46.17	78.12	**124.29**
(c)	Other receivables	-	-	**-**
(d)	Loans	7,466.68	4,253.80	**11,720.48**
(e)	Investments	-	0.54	**0.54**
(f)	Other financial assets	106.63	25.42	**132.05**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	30.84	**30.84**
(b)	Deferred tax assets (net)	-	104.09	**104.09**
(c)	Property, plant and equipment	-	24.15	**24.15**
(d)	Right of use assets	-	67.50	**67.50**
(e)	Goodwill on consolidation	-	317.58	**317.58**
(f)	Intangible assets	-	163.54	**163.54**
(g)	Intangible assets under development	-	0.62	**0.62**
(h)	Other non-financial assets	12.33	1.14	**13.47**
	Total assets	**9,991.90**	**5,067.34**	**15,059.24**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	62.55	-	**62.55**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	139.14	-	**139.14**
(b)	Borrowings			
	- Debt securities	525.63	1,149.32	**1,674.95**
	- Borrowings (other than debt securities)	5,660.80	3,502.88	**9,163.68**
	- Subordinated liabilities	27.79	74.91	**102.70**
(c)	Other financial liabilities	15.99	66.95	**82.94**
(2)	**Non-financial liabilities**			
(a)	Provisions	10.04	15.49	**25.53**
(b)	Other non-financial liabilities	11.31	0.06	**11.37**
(3)	**Equity**			
(a)	Equity share capital	-	155.58	**155.58**
(b)	Other equity	-	3,535.97	**3,535.97**
(c)	Non controlling Interest	-	104.83	**104.83**
	Total liabilities and equity	**6,453.25**	**8,605.99**	**15,059.24**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders

CreditAccess Grameen Limited
Notes to consolidated financial statements for the year ended March 31, 2021

(B) Maturity analysis of assets and liabilities as at March 31, 2020 ₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	644.87	-	**644.87**
(b)	Bank balance other than cash and cash equivalents	31.10	41.67	**72.77**
(c)	Other receivables	0.22	-	**0.22**
(d)	Loans	6,563.51	4,535.40	**11,098.91**
(e)	Investments	45.02	0.54	**45.56**
(f)	Other financial assets	46.64	11.72	**58.36**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	22.11	**22.11**
(b)	Deferred tax assets (net)	-	57.44	**57.44**
(c)	Property, plant and equipment	-	31.69	**31.69**
(d)	Right of use assets	-	54.60	**54.60**
(e)	Goodwill on consolidation	-	317.58	**317.58**
(f)	Intangible assets	-	172.63	**172.63**
(g)	Intangible assets under development	-	2.84	**2.84**
(h)	Other non-financial assets	6.77	3.86	**10.63**
	Total assets	**7,338.13**	**5,252.08**	**12,590.21**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	41.19	-	**41.19**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	67.46		**67.46**
(b)	Borrowings			
	- Debt securities	416.76	375.82	**792.58**
	- Borrowings (other than debt securities)	5,139.71	3,504.35	**8,644.06**
	- Subordinated liabilities	0.01	103.02	**103.03**
(c)	Other financial liabilities	15.13	52.07	**67.20**
(2)	**Non-financial liabilities**			
(a)	Provisions	12.62	7.69	**20.31**
(b)	Other non-financial liabilities	11.21	-	**11.21**
(3)	**Equity**			
(a)	Equity share capital	-	143.99	**143.99**
(b)	Other equity	-	2,590.23	**2,590.23**
(c)	Non-controlling interests	-	108.95	**108.95**
	Total liabilities and equity	**5,704.09**	**6,886.12**	**12,590.21**

32 Transfer of financial assets

a) *Transferred financial assets that are not derecognised in their entirety.*

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

₹ in crore

Particulars	March 31,2021	March 31,2020
Securitisations		
Carrying amount of transferred assets	15.89	98.14
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	9.15	80.79
Net position at amortised cost	6.74	17.35

b) *Transferred financial assets that are derecognised in their entirety.*

The Group has assigned loans (earlier measured at FVTOCI/amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Group’s Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

₹ in crore

Particulars	March 31,2021	March 31,2020
Direct assignments		
Carrying amount of derecognised financial assets	1,329.36	649.64
Gain from derecognition	109.82	45.96

Since the Group transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

c) *Transferred financial assets that are derecognised in their entirety.*

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

33 Contingent liabilities

Contingent liabilities not provided for in respect of the below:

(a)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Performance security provided by the Holding Company pursuant to service provider agreement	0.11	0.12
Demand under Employee Provident Fund Act, 1952	0.25	0.25

Guarantees excluding financial guarantees

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Indemnity undertaking given to Life Insurance Company Limited for insurance claims	-	0.20

(b) **Pertaining to Assessment Year 2017-18 (Financial year 2016-17)**

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.6.50 Cr from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Holding Company, in line with the opinion obtained from a legal counsel, is of view that the said demand is not tenable and expects to succeed in its appeal.

(c) In addition, the Holding Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Holding Company's financial position and result of operations.

34 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
For purchase / development of computer software	0.87	1.23

35 Leases

Group as a leasee

35.1 The Group's leased assets mainly comprise office building and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and server leases are ranging from 1-10 years. The Group has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

35.2 **Total lease liabilities are analysed as follows:**

₹ in crore

Lease liabilities	March 31, 2021	March 31, 2020
Current	8.72	10.04
Non-current	66.62	51.86
Total	**75.34**	**61.90**

35.3 **Amounts recognised in the statement of profit and loss**

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets		
Buildings	4.43	3.82
Servers	7.83	3.66
	12.26	**7.48**
Expense relating to variable lease payments		
Expense relating to short-term leases (included in other expenses)	19.28	12.89
Interest on lease liabilities (included in finance costs)	6.56	5.65

₹ in crore

35.4

Particulars	March 31, 2021	March 31, 2020
Total cash outflow for leases	34.21	28.14
Total commitments for short-term leases as on	7.77	7.81

35.5 The Group had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2021	March 31, 2020
Buildings	7.59	-

35.6 The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crore

Maturity analysis:	March 31, 2021	March 31, 2020
Less than 1 year	16.08	18.25
Between 1 and 2 years	15.02	12.67
Between 2 and 5 years	41.00	33.20
More than 5 years	37.87	37.26
Total	**109.97**	**101.37**

35.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Balance as at April 1, 2020	61.90	50.44
Additions during the period	25.21	11.80
Finance cost incurred during the period	6.56	5.65
Terminatiion of lease during the period	(0.05)	-
Payment of lease liabilities	(18.28)	(5.99)
Balance as of March 31, 2021	**75.34**	**61.90**

Note: Refer Note 11(A) for movement in right of use of assets.

36 Related party transactions

Names of the related parties *(as per IndAS – 24)*

Holding Company	CreditAccess India NV (Formerly known as CreditAccess Asia NV)
Key management personnel and Additional Director of MMFL (w.e.f March 18, 2020)	Mr. Udaya Kumar Hebbar, Managing Director & CEO
Key management personnel - Director- Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020)	Mr. Diwakar B R (Resigned on November 06, 2020)
Chairman (from October 30, 2019) & Nominee Director and Additional Director of MMFL (w.e.f. March 18, 2020)	Mr. Paolo Brichetti
Independent Director	Mr. R Prabha (Cessation of office on November 03, 2020)
Independent Director	Mr. Anal Kumar Jain (upto June 25, 2020)
Independent Director	Ms. Sucharita Mukherjee
Vice Chairman & Lead Independent Director (w.e.f. February 11, 2021)	Mr. George Joseph
Additional & Independent Director (w.e.f.October 30, 2019) and Additional Director of MMFL (w.e.f. March 18, 2020)	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Additional & Independent Director	Ms. Lilian Jessie Paul (from September 16, 2020)

₹ in crore

Particulars	**Key management personnel**	
	March 31, 2021	**March 31, 2020**
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	2.21	1.97
Employee Stock Options exercised	0.11	0.41
Mr. Diwakar B R		
Salary and perquisites	1.46	1.09
Employee Stock Options exercised	0.07	0.34

Sitting fees	**March 31, 2021**	**March 31, 2020**
Mr. R Prabha	0.06	0.08
Mr. Paolo Brichetti	0.08	0.04
Mr. Sumit Kumar	0.06	0.02
Mr. Massimo Vita	0.07	0.02
Mr. Anal Kumar Jain	0.02	0.04
Ms. Sucharita Mukherjee	0.04	0.02
Mr. George Joseph	0.17	0.07
Mr. Manoj Kumar	0.14	0.01
Ms. Lilian Jessie Paul	0.03	-
	Other related parties	
Commission	**March 31, 2021**	**March 31, 2020**
Mr. R Prabha	0.07	0.07
Mr. Anal Kumar Jain	0.06	0.08
Mr. M N Gopinath	(0.08)	0.03
Ms. Sucharita Mukherjee	0.07	0.03
Mr. George Joseph	0.07	0.08
Mr. Manoj Kumar	0.06	0.02

Provisions for gratuity and leave benefits are made for the Group as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

Sitting fees payable	**Other related parties**	
	March 31, 2021	**March 31, 2020**
Mr. Paolo Brichetti	0.02	0.04
Mr. Massimo Vita	0.02	0.02
Mr. Sumit Kumar	0.01	0.02

Commission payable	**Other related parties**	
	March 31, 2021	**March 31, 2020**
Mr. R Prabha	0.07	0.08
Mr. Anal Kumar Jain	0.06	0.06
Mr. M N Gopinath	-	0.08
Ms. Sucharita Mukherjee	0.06	0.05
Mr. George Joseph	0.07	0.07
Mr. Manoj Kumar	0.03	-

37 Employee stock options

Stock options: The Holding Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V , VI and VII represent different grants made under the plan. During year ended March 31, 2021, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018	Jan 1,2021
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jul 08, 2020
Number of Options granted	7,16,676	6,31,339	4,43,000	4,31,000	5,21,000	9,71,000	3,75,900
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:							
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from date of vesting
Vesting conditions	Employee to be in service at the time of vesting						
Weighted average remaining contractual life (years)							
-I	-	-	-	0.25	0.76	2.76	4.76
-II	-	-	-	1.25	1.76	3.76	5.76
-III	-	-	0.17	2.25	2.76	3.76	6.76
-IV	0.00	0.50	1.17	3.25	3.76	4.76	7.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	218.61

Additional disclosures for Tranche VII - granted during the current year:

Particulars	Tranche VII
Share price on the date of Grant (in Rs.)	769.70
Expected volatality (%)	
I	58.89%
II	52.16%
III	49.37%
IV	49.82%
Risk free interest rate (%)	
I	3.76%
II	4.02%
III	4.34%
IV	4.66%
Fair value per option (in Rs.)	
I	182.32
II	203.46
III	227.91
IV	260.76

37 Employee stock options

Reconciliation of options:

Particulars	March 31, 2021	March 31, 2020
Tranche I		
Options outstanding at the beginning of the year	-	5,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	4,500
Expired during the year	-	750
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	7,500	11,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,000	2,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	4,000	7,500
Exercisable at the end of the year	4,000	7,500
Tranche III		
Options outstanding at the beginning of the year	38,500	1,39,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	29,500	99,250
Expired during the year	1,500	1,500
Outstanding at the end of the year	7,500	38,500
Exercisable at the end of the year	7,500	38,500
Tranche IV		
Options outstanding at the beginning of the year	2,52,250	3,36,750
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	69,000	84,500
Expired during the year	-	-
Outstanding at the end of the year	1,83,250	2,52,250
Exercisable at the end of the year	1,83,250	1,44,500
Tranche V		
Options outstanding at the beginning of the year	3,56,300	4,36,550
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	34,850	80,250
Expired during the year	7,500	-
Outstanding at the end of the year	3,13,950	3,56,300
Exercisable at the end of the year	3,13,950	2,26,050
Tranche VI		
Options outstanding at the beginning of the year	6,88,525	8,79,080
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,45,908	1,62,198
Expired during the year	22,274	28,357
Outstanding at the end of the year	5,20,343	6,88,525
Exercisable at the end of the year	3,16,591	2,52,489
Tranche VII		
Options outstanding at the beginning of the year	-	-
Granted during the year	3,75,900	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	3,75,900	-
Exercisable at the end of the year	-	-

38 Revenue from contracts with customers

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
(A) Type of services		
Service fees for management of assigned portfolio of loans	0.10	0.31
Service and administration charges	3.01	3.77
Distribution Income	5.39	0.92
Advertisement display income	2.24	1.11
Total	**10.74**	**6.11**

(B) Geographical markets

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
India	10.74	6.11
Outside India	-	-
Total	**10.74**	**6.11**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Services transferred at a point in time	10.74	6.11
Services transferred over time	-	-
Total	**10.74**	**6.11**

(D) Receivables

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Distribution income	1.07	0.55

39 Financial instruments – fair values

Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crore

Financial assets (assets measured at fair value)	March 31, 2021			March 31, 2020		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	8,893.33	-	-	7,765.48
Investments	-	-	0.54	-	-	45.56
Total	**-**	**-**	**8,893.87**	**-**	**-**	**7,811.04**

Fair values of Loans and Investments designated under FVOCI have been measured under level 2 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest.

₹ in crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2021				March 31, 2020			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	2,840.27	-	-	2,870.87	3,014.10	-	-	3,335.53
Total	**2,840.27**	**-**	**-**	**2,870.87**	**3,014.10**	**-**	**-**	**3,335.53**
Debt securities	1,674.95	-	-	1,710.68	792.58	-	-	577.45
Borrowings (other than debt securities)	9,163.68	-	-	9,229.93	8,644.06	-	-	8,732.10
Subordinated liabilities	102.70	-	-	113.61	103.03	-	-	111.42
Lease liabilities	75.34	-		75.72	61.90	-	-	61.90
Total	**11,016.67**	**-**	**-**	**11,129.94**	**9,601.57**	**-**	**-**	**9,482.87**

Note: The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, other financial assets and payables are considered to be the same as their fair values, due to their short-term nature.

There were no transfers between Level 3 and Level 1 / Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)
Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Financial liabilities measured at amortised cost
The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

40 Risk Management

40.1 Introduction and risk profile

CreditAccess Grameen Limited (“Company”) is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children’s education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

40.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the Group. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Group and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Risk Management committee comprising of MD&CEO, CFO, CAO, CBO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Group’s policy is that risk management processes throughout the Group are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Group’s compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

40.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Group. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Group formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

40.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.
Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.
As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.
All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC.
The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Group in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

40.1.d Risk Management Strategies

Excessive risk concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Group to manage the various key risks.

Political Risk mitigation measures:
• Low cost operations and low pricing for customers.
• Customer centric approach, high customer retention.
• Rural focus.
• Systematic customer awareness activities.
• High social focused activities.
• Adherence to client protection guidelines.
• Robust grievance redressal mechanism.
• Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
• District centric approach.
• District exposure cap.
• Restriction on growth in urban locations.
• Maximum disbursement cap per loan account.
• Maximum loan exposure cap per customer.
• Diversified funding resources.

Operational & HR Risk mitigation measures:
• Stringent customer enrolment process.
• Multiple products.
• Proper recruitment policy and appraisal system.
• Adequately trained field force.
• Weekly & fortnightly collections – higher customer touch, lower amount instalments.
• Multilevel monitoring framework.
• Strong, Independent and fully automated Internal Audit function.
• Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
• Diversified funding resources.
• Asset liability management.
• Effective fund management.
• Maximum cash holding cap.

Expansion risk mitigation measures:
• Contiguous growth.
• District centric approach.
• Rural focus.
• Branch selection based on census data & credit bureau data.
• Three level survey of the location selected.

Credit risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Group. Credit risk is the core business risk of the Group. The Group therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Group is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Group has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the group follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in group.
Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The group ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each Group's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS, automated KYC checks and biometric.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

40.2 Impairment assessment
The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

40.2.a Definition of default, significant increase in credit risk and stage assessment
For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Group considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the Group to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the Group.

Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Group granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(i) Staging classification of Group Lending loans of Holding Company
Unlike banks which have more of monthly repayments, the Holding Company offers products with primarily weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Holding Company has identified the following stage classification to be the most appropriate for such products :
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Staging classification of Subsidiary Company
The Subsidiary Company has identified the following stage classification to be the most appropriate for its loans as these loans are mainly on monthly repayment basis:
Stage 1: 0 to 30 DPD.
Stage 2: 30 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

(ii) Staging classification of Individual Loans of the Holding Company
For monthly repayment model, the Group has identified the following stage classification to be the most appropriate for these loans :
Stage 1: 0 to 30 DPD.
Stage 2: 30 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

40.2.b Probability of Default ('PD')
(i) Group lending
PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

(ii) Individual Loans
Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a which is based on management judgement.

40.2.c Exposure at default (EAD)
Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

40.2 .d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Joint liability loans (JLG)

LGD is computed as below:

The Group determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate.

In estimating LGD, the Group reviews macro-economic developments taking place in the economy.
A select group of Stage 2 and Stage3 loans of the Holding Company exhibiting specific payment pattern has been applied an LGD which is lower than the regular LGD estimate.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

40.2 .e Grouping financial assets measured on a collective basis

The Group believes that the Group Lending loans (GL) have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, GL and IL are treated as two separate groups for the purpose of determining impairment allowance.

40.2 .f The Group's Loan book consists of a large number of customers spread over diverse geographical area, hence the Group is not exposed to concentration risk with respect to any particular customer.

40.2 .g Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD/ LGD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios. The methodology and assumptions used for estimating future cash flows is reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses. Refer Note 42.

40.3 Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Capital management

The Group's objectives when managing capital are to

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• Maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Group's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

40.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Group may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Group's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Group continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of the Group. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the Group, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 40.3 with respect to regulatory capital of the Group as at the reporting dates.

Liquidity assessment as on March 31, 2021

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	3.29	50.96	61.44	124.85	394.50	1,193.79	114.63	-	**1,943.46**
Borrowings (other than debt securities)	548.35	428.95	558.61	1,618.28	3,070.60	3,590.12	212.94	-	**10,027.85**
Subordinated liabilities	0.59	0.61	0.59	1.81	34.98	72.23	19.06	12.94	**142.81**
Total	**552.23**	**480.52**	**620.64**	**1,744.94**	**3,500.08**	**4,856.14**	**346.63**	**12.94**	**12,114.12**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

Liquidity assessment as on March 31, 2020

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	0.38	14.39	54.29	223.75	120.93	305.60	246.98	-	**966.32**
Borrowings (other than debt securities)	411.97	252.21	515.10	1,452.33	2,518.13	3,823.43	692.25	-	**9,665.42**
Subordinated liabilities	0.60	0.61	0.59	1.81	11.17	49.69	64.61	28.50	**157.58**
Total	**412.95**	**267.21**	**569.98**	**1,677.89**	**2,650.23**	**4,178.72**	**1,003.84**	**28.50**	**10,789.32**

40.5 Market Risk

40.5.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

40.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Group's financial condition. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for the Group.

In case of CAGL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only some of the liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Group's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2020-21	Effect on profit / loss and equity for the year 2019-20
Borrowings			
Increase in basis points	+ 25	(14.46)	(9.22)
Decrease in basis points	- 25	14.46	9.22

40.5.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract. The Group currently does not have any exposure to Foreign currency.

40.5.4 Changes in liabilities arising from financing activities

₹ in crore

Particulars	As at March 31,2020	Cash flows	Changes in fair value	Exchnage difference	Others	As at March 31, 2021
Debt securities	792.37	853.43	-	-	29.16	1,674.95
Borrowings (other than debt securities)	8,560.13	522.19	-	-	81.35	9,163.68
Subordinated liabilities	99.89	0.00	-	-	2.80	102.70
Lease liabilities	61.90	(18.33)	-	-	31.76	75.34
Total liabilities from financing activities	**9,514.29**	**1,357.29**	-	-	**145.08**	**11,016.67**

₹ in crore

Particulars	As at March 31,2019	Cash flows	Changes in fair value	Exchnage difference	Others	As at March 31, 2020
Debt securities	556.16	88.72	-	-	147.70	792.58
Borrowings (other than debt securities)	4,114.50	2,839.72	-	-	1,689.84	8,644.06
Subordinated liabilities	37.07	(11.39)	-	-	77.36	103.03
Lease liabilities	-	(5.93)	-	-	67.83	61.90
Total liabilities from financing activities	**4,707.73**	**2,911.12**	-	-	**1,982.73**	**9,601.58**

41 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group. The Group operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue in year ended March 31, 2021 or March 31, 2020.

42 Impact of COVID 19

(a) on Expected Credit Losses

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The potential impact of the COVID-19 pandemic on the Group's financial performance are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the second wave of COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Group and its subsequent impact on the recoverability's on the Group's assets. The Group has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets including the additional overlay of approximately ₹ 111.78 crore for uncertainty over the potential macro-economic impact of the pandemic.

Based on the current indicators of future economic conditions, the Group considers this provision to be adequate and expects to recover the carrying amount of these financial assets. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statement and the Group will continue to closely monitor any material changes to future economic conditions.

(b) Payment of Ex-gratia benefit

The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest ("differential amount") for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Holding Company has not charged compound interest to any of its customers except 151 cases of Individual lending, wherein the differential amount of Rs. 0.03 cores has been credited on November 5, 2020 to the respective customer account. The Subsidiary Company had earlier debited interest on interest to various borrowers which was however not taken to income as it was accrued and provided for in books. However, based on GoI scheme, the amounts debited to borrowers was claimed. The Subsidiary Company has credited the accounts of borrowers and received refund of Rs 10.36 crores claimed from the government under this scheme.

(c) Interest on interest

In accordance with the instructions in the circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021, the Group shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been finalised by the Indian Banks Association (IBA) in consultation with other industry participants / bodies, on April 19, 2021. The Group does not have any such refund/interest reversal liability as at March 31, 2021.

43 Business combination

During the previous year, the Company has completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI) which will subsequently be followed by an amalgamation of MMFL's business with the Company, subject to obtaining necessary approvals from various regulatory authorities. Pursuant to this acquisition, MMFL has become subsidiary of the Company.

During the current year, the Company has further acquired 12,241 equity shares, representing 0.17% of the paid-up equity share capital of MMFL, taking the aggregate shareholding of the Company in MMFL to 76.25 %.

44 Additional Information as required under Schedule III of Companies Act, 2013, of enterprises consolidated as subsdiary.

Particulars	Net assets, i.e total assets minus total liabilities	
	As % of consolidated net assets	Amount (₹ in crores)
Holding Company		
CreditAccess Grameen Limited	95.74%	3,634.81
Subsidiary		
Madura Micro Finance Limited	4.26%	161.57
Total	**100.00%**	**3,796.38**

Particulars	Share in profit or loss account		Share in total comprehensive income	
	As % of consolidated profit or loss	Amount (₹ in crores)	As % of consolidated other comprehensive Income	Amount (₹ in crores)
Holding Company				
CreditAccess Grameen Limited	108.36%	142.39	100.10%	32.30
Subsidiary				
Madura Micro Finance Limited	-8.36%	(10.99)	-0.10%	(0.03)
Total	100.00%	131.40	100.00%	32.26

45 Earnings per share (EPS)

The following reflects the profit after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2021	March 31, 2020
Net profit after tax as per statement of profit and loss (₹ in crores)	134.02	333.55
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	134.02	333.55
Weighted average number of equity shares in calculating basic EPS	14,95,40,013	14,37,65,813
Stock options granted under ESOP	10,03,028	12,28,624
Weighted average number of equity shares in calculating dilutive EPS	15,05,43,041	14,49,94,437
Earnings per share	8.96	23.20
Dilutive earnings per share	8.90	23.00
Nominal value per share	10.00	10.00

46 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

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INDEPENDENT AUDITORS' REPORT

To The Members of CREDITACCESS GRAMEEN LIMITED
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **CREDITACCESS GRAMEEN LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to note 45 of the standalone financial statements regarding the approved Scheme of Amalgamation (the "Scheme") between Madura Micro Finance Limited (erstwhile subsidiary of the Company) and the Company.

- The Company has given effect to the Scheme from the appointed date specified in the Scheme i.e. April 01, 2020. Pursuant to giving effect of the Scheme the Company has recorded additional Goodwill of ₹ 58.10 crore, as required by the Scheme. The additional goodwill has been accounted as mandated by para 14(vi) of the Scheme.

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- Further, due to the aforesaid merger being effective from the Appointed Date, i.e., April 1, 2020, the standalone financial statements of the Company for the previous years have been recast/restated.

Our report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the key audit matter was addressed in our Audit
(a) Impairment of Loans (Expected Credit Losses) (as described in note 6 of the standalone Ind AS financial statements)	
The Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure as per the Board approved policy which is in line with Ind AS requirement and the relevant Reserve Bank of India's (RBI) regulations/circulars. The recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical default and loss ratios using criteria in accordance with Ind AS 109 and considering applicable RBI's regulations/ circulars. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. Since the recognition and measurement of impairment of loans is significant to the overall audit due to stakeholder and regulatory focus, we have ascertained this as a key audit matter. The relevant disclosures are made in financial statements for ECL including those relating to judgements and estimates by the Management in determination of the ECL. Refer note	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of expected credit losses. In particular: • We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company; • We have performed the walkthrough and evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages;

6(A), note 6(B) and note 41.2 to the standalone Ind AS financial statements.	• We tested, on samples basis, the input and historical data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records; • We tested the arithmetical calculation of the workings of the ECL; • We evaluated that the Company's impairment allowance is derived in accordance with Ind AS 109 which also include considering the impact of RBI's regulations/circulars; • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis (the "Reports"), but does not include the standalone financial statements and our auditors' report thereon. The Reports are expected to be made available to us after the date of this auditors' report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for

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preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report

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expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position as at the year end in its standalone financial statements - Refer Note 34 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts as at the year end for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to accounts to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the standalone notes to accounts to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

PKF SRIDHAR & SANTHANAM LLP
BANGALORE

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 23109839BGXPYG8187
Place: Bengaluru
Date: May 16, 2023

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 23208545BGVAJB4311
Place: Bengaluru
Date: May 16, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **CREDITACCESS GRAMEEN LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on "the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

PKF SRIDHAR & SANTHANAM LLP BANGALORE

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on "the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 23109839BGXPYG8187
Place: Bengaluru
Date: May 16, 2023

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

PKF SRIDHAR & SANTHANAM LLP * BANGALORE * Firm Regn. No.: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 23208545BGVAJB4311
Place: Bengaluru
Date: May 16, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **CREDITACCESS GRAMEEN LIMITED** (the "Company") for the year ended March 31, 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered Sale Deed provided to us, we report that the title deeds of all the immovable properties, (other than immovable properties where the company is a lessee and the lease agreements are duly executed in favour of the Company) disclosed in financial statements included in Property, Plant and Equipment are held in the name of the Company as at the Balance Sheet Date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use Assets) and intangible assets during the year.

(e) No Proceedings have been initiated during the year or are pending against the Company as at 31 March, 2023 for holding Benami Property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has granted loans or advances in the nature of Loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties in respect of which:

a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) The investments made and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans provided, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Note 3.15 to the Standalone Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2023, aggregating ₹ 236.39 crore were categorised as credit impaired ("Stage 3") and ₹ 43.52 crore were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6A and Note 6B to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 19,111.28 crore, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delay in the repayment of interest and/or principal in respect of loans aggregating to ₹ 44.50 crore were also identified. In all other cases, the repayment of principal and interest is regular as at March 31, 2023. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

d) The total amount in respect of loans and advances overdue from Non Performing Assets (NPA), as at the year-end is ₹ 153.76 crore. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to any director of the Company and hence the provisions of Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions of Section 186 as applicable.

(v) According to the information and explanations given to us, the Company being Non-Banking Finance Company registered with the Reserve Bank of India (the "RBI"), provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company and no order has been passed by the RBI or any Court or any other Tribunal against the Company in this regard.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

PKF SRIDHAR & SANTHANAM LLP BANGALORE

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax (GST), Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

Undisputed amounts payable in respect of Provident Fund in arrears as at March 31, 2023 for a period of more than six months from the date they became payable are as given below:

Name of Statute	Nature of the Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date	Date of payment
Provident Fund Act, 1952	Provident Fund	23,155	Apr'22	15th May, 2022	Not paid till 31 March 23
Provident Fund Act, 1952	Provident Fund	9,521	May'22	15th June, 2022	Not paid till 31 March 23
Provident Fund Act, 1952	Provident Fund	107	June'22	15th July, 2022	Not paid till 31 March 23
Provident Fund Act, 1952	Provident Fund	6,011	July'22	15th August, 2022	Not paid till 31 March 23
Provident Fund Act, 1952	Provident Fund	15,517	August'22	15th September, 2022	Not paid till 31 March 23
Provident Fund Act, 1952	Provident Fund	11,041	September'22	15th October, 2022	Not paid till 31 March 23

(b) There are no statutory dues of GST, Employees' State Insurance, cess, as on March 31, 2023 which have not been deposited on account of disputes. The details of dues of Income tax and Provident Fund which have not been deposited as at March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (Rs. Crore)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	1.16^	FY 2016-17	Commission of Income Tax
Income Tax Act, 1961	Income Tax	122.63	FY 2017-18	Commission of Income Tax
Employee Provident Fund Act, 1952	Provident Fund	0.25*	FY 2010-11 and FY 2011-12	High Court of Madras

^ Net of Rs.0.29 crore paid under protest
*Out of which Rs.0.06 is already paid

(viii) There were no transactions relating to previously unrecorded income which were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) According to the information and explanations given to us, in respect of borrowings:

a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

d) On an overall examination of the financial statements of the Company, fund raised on short-term basis have, *prima facie*, not been used during the year for long term purposes by the company.

e) On an overall examination of the financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) a) In our opinion, and according to the information and explanations given to us, money raised by way of public offer of Debt instruments during the year, have been, *prima facie*, applied by the company for the purposes for which they were raised other than temporary deployment pending application of proceeds.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government, during the year and up to the date of this report.

c) We have taken into consideration, the whistle blower complaints received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.

(xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31, 2023.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.

(xvi) a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

b) During the year:

- The Company has not conducted any Non-Banking Financial activities without a valid certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.

- The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

c) The Company is not a Core Investment Company (CIC) and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

PKF SRIDHAR & SANTHANAM LLP BANGALORE

Accordingly, reporting under clause 3 (xx) of the Order is not applicable for the year.

(xxi) According to the information and explanations given to us, and based on the CARO report issued by and the information provided by the auditor of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the parent and not to Subsidiary included in the consolidated financial statements. We have not reported any qualifications or adverse remarks in the CARO report of the parent.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 23109839BGXPYG8187
Place: Bengaluru
Date: May 16, 2023

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 23208545BGVAJB4311
Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Standalone balance sheet as at March 31, 2023

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	ASSETS				
(1)	**Financial assets**				
(a)	Cash and cash equivalents	4	1,341.40	1,580.51	2,360.04
(b)	Bank balance other than cash and cash equivalents	5	95.01	180.84	124.29
(c)	Loans	6	19,043.34	14,765.33	11,720.48
(d)	Investments	7	454.53	0.55	0.54
(e)	Derivative financial instruments	11	31.63	-	-
(f)	Other financial assets	8	149.59	118.48	132.31
(2)	**Non-financial assets**				
(a)	Current tax assets (net)	30	39.56	38.47	38.06
(b)	Deferred tax assets (net)	30	80.93	155.39	134.70
(c)	Property, plant and equipment	10 (A)	32.06	31.78	24.15
(d)	Right of use assets	10 (A)	64.75	74.76	67.50
(e)	Goodwill	45	375.68	375.68	375.68
(f)	Intangible assets	10 (A)	126.52	146.65	163.54
(g)	Intangible assets under development	10 (B)	3.94	3.07	0.62
(h)	Other non-financial assets	9	19.12	10.21	13.21
	Total assets		**21,858.06**	**17,481.72**	**15,155.12**
	LIABILITIES AND EQUITY				
(1)	**Financial liabilities**				
(a)	Derivative financial instrument	11	-	1.66	-
(b)	Payables				
	(I) Trade payables				
	(i) Total outstanding dues of micro enterprises and small enterprises	12	0.10	-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	12	43.95	34.78	22.05
	(II) Other payables				
	(i) Total outstanding dues of micro enterprises and small enterprises	12	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	259.65	224.03	179.65
(c)	Borrowings				
	- Debt securities	13	1,672.35	1,418.10	1,674.95
	- Borrowings (other than debt securities)	14	14,562.00	11,424.85	9,163.68
	- Subordinated liabilities	15	77.91	77.74	102.70
(d)	Other financial liabilities	16	78.90	87.44	82.94
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (Net)	30	0.56	1.46	0.99
(b)	Provisions	17	36.61	31.24	25.53
(c)	Other non-financial liabilities	18	19.09	13.51	11.37
(3)	**Equity**				
(a)	Equity share capital	19	158.91	155.87	155.58
(b)	Other equity	20	4,948.03	4,011.04	3,735.68
	Total liabilities and equity		**21,858.06**	**17,481.72**	**15,155.12**

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and
Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Standalone statement of profit and loss for the year ended March 31, 2023

₹ in crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Revenue from operations**			
(a)	Interest income	21	3,327.13	2,567.26
(b)	Fees and commission income	22	19.51	13.22
(c)	Net gain on fair value changes	23	18.14	87.84
(d)	Bad debts recovery		58.09	74.15
(e)	Net gain on derecognition of financial instruments under amortised cost category		122.25	-
(f)	Others		-	0.28
	Total revenue from operations (I)		**3,545.12**	**2,742.75**
II	**Other income**	24	5.64	7.31
III	**Total income (I+II)**		**3,550.76**	**2,750.06**
IV	**Expenses**			
(a)	Finance costs	25	1,212.88	984.14
(b)	Fee and commission expense		1.80	2.96
(c)	Impairment on financial instruments	26	401.02	596.74
(d)	Employee benefit expenses	27	515.24	437.62
(e)	Depreciation and amortization expenses	28	49.84	47.23
(f)	Other expenses	29	264.59	200.57
	Total expenses (IV)		**2,445.37**	**2,269.26**
V	**Profit before tax (III-IV)**		**1,105.39**	**480.80**
VI	**Tax expense**	30		
	(1) Current tax		238.23	120.28
	(2) Deferred tax		41.13	7.44
	Total tax expense (VI)		**279.36**	**127.72**
VII	**Profit for the year (V-VI)**		**826.03**	**353.08**
VIII	**Other comprehensive income/ (loss)**			
(a)	(1) Items that will not be reclassified to profit or loss		**(0.60)**	**0.71**
	(2) Income tax relating to items that will not be reclassified to profit or loss		0.15	(0.18)
	Subtotal (a)		**(0.45)**	**0.53**
(b)	(1) Items that will be reclassified to profit or loss		**11.84**	**(114.13)**
	(2) Income tax relating to items that will be reclassified to profit or loss		(2.98)	28.24
	Subtotal (b)		**8.86**	**(85.89)**
	Other comprehensive income / (loss) (VIII = a+b)		**8.41**	**(85.36)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income/(loss) for the year)**		**834.44**	**267.72**
X	**Earnings per equity share (EPS) (face value of ₹10.00 each)**	46		
	Basic (in ₹)		52.04	22.29
	Diluted (in ₹)		51.81	22.20

The accompanying notes are an integral part of the standalone financial statements..

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

For and on behalf of Board of Directors of CreditAccess Grameen Limited

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Standalone statement of changes in equity for the year ended March 31, 2023

a) Equity share capital

As at March 31, 2023, March 31, 2022
Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	March 31, 2023		March 31, 2022	
	No of shares	₹ in crores	No of shares	₹ in crores
Balance at the beginning of the Previous reporting year	**15,58,66,346**	**155.87**	**15,55,82,040.00**	**155.58**
Changes in Equity Share Capital due to prior year errors	-	-	-	-
Restated balance at the beginning of the previous reporting year	**15,58,66,346**	**155.87**	**15,55,82,040.00**	**155.58**
Changes in equity share capital during the previous year	30,40,097	3.04	2,84,306	0.29
Balance at the end of the previous reporting year	**15,89,06,443**	**158.91**	**15,58,66,346**	**155.87**

b) Other equity

₹ in crore

Particulars	Reserve & Surplus					Shares to be issued (refer note 45)	Debt instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedge	Total Other Equity (A)
	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934) (Refer Note 20.3)	Capital reserve (Refer Note 20.2)	Securities premium	Share options outstanding account	Retained earnings				
As at March 31, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**917.55**	**206.38**	**(3.94)**	**-**	**3,735.68**
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**917.55**	**206.38**	**(3.94)**	**-**	**3,735.68**
Profit for the year	-	-	-	-	353.08	-	-	-	353.08
Other comprehensive income/(loss) (net of tax)	-	-	-	-	0.53	-	(86.28)	0.39	(85.36)
Transferred From Share Option Outstanding on ESOPs Exercised	-	-	2.25	(2.25)	-	-	-	-	-
Securities Premium on ESOPs Exercised	-	-	2.74	-	-	-	-	-	2.74
Transferred to statutory reserves	76.43	-	-	-	(76.43)	-	-	-	-
Employee stock option compensation for the year	-	-	-	5.45	-	-	-	-	5.45
Equity adjustment on account of subsequent acquisition of shares	-	-	-	-	-	(0.55)	-	-	(0.55)
As at March 31, 2022	**370.52**	**49.95**	**2,268.12**	**11.72**	**1,194.73**	**205.83**	**(90.22)**	**0.39**	**4,011.04**
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2022	**370.52**	**49.95**	**2,268.12**	**11.72**	**1,194.73**	**205.83**	**(90.22)**	**0.39**	**4,011.04**
Profit for the year	-	-	-	-	826.03	-	-	-	826.03
Other comprehensive income/(loss) (net of tax)	-	-	-	-	(0.45)	-	90.22	8.86	98.63
Transferred From Share Option Outstanding on ESOPs Exercised	-	-	2.96	(2.96)	-	-	-	-	-
Securities Premium on ESOPs Exercised	-	-	4.36	-	-	-	-	-	4.36
Transferred to statutory reserves	165.21	-	-	-	(165.21)	-	-	-	-
Allotment of share as per the scheme of merger	-	-	203.15	-	-	(205.83)	-	-	(2.68)
Employee stock option compensation for the year	-	-	-	10.65	-	-	-	-	10.65
As at March 31, 2023	**535.73**	**49.95**	**2,478.59**	**19.41**	**1,855.10**	**-**	**-**	**9.25**	**4,948.03**

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and
Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

CreditAccess Grameen Limited
Standalone statement of cash flows for the year ended March 31, 2023

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Cash flow from operating activities:		
Profit before tax	1,105.39	480.80
Adjustments for:		
Interest income on loans	(3,277.46)	(2,533.54)
Interest on deposits with banks and financial institutions	(31.04)	(33.73)
Income from government securities	(18.62)	-
Depreciation and amortisation expenses	49.84	47.23
Finance costs	1,212.88	984.14
Impairment on financial instruments	401.02	596.74
Net gain on financial instruments at fair value through profit and loss	(21.32)	(17.86)
Gain on derecognition of loans designated at FVTOCI	3.18	(69.98)
Gain on derecognition of loans designated at amortised cost	(122.25)	-
Dividend Income	-	(0.28)
Share based payments to employees	10.65	5.45
Provision for other assets	0.31	1.66
	(1,792.81)	**(1,020.17)**
Operational cash flows from interest:		
Interest received on loans	3,392.64	2,551.96
Finance costs paid	(1,213.20)	(976.02)
Working capital changes:		
(Increase) in loans	(4,673.63)	(3,775.40)
Decrease in other financial assets	87.65	81.98
(Increase)/ Decrease in other non-financial assets	(8.92)	3.00
Increase in trade and other payables	44.90	57.30
(Decrease) in other financial liabilities	(2.05)	(5.16)
Increase in provisions	4.77	6.42
Increase in other non-financial liabilities	5.57	2.14
	(4,541.71)	**(3,629.72)**
Income tax paid (net of refunds)	(240.07)	(120.32)
Net cash flows (used in) operating activities (A)	**(3,289.76)**	**(2,713.47)**
Cash flow from investing activities:		
Purchase of property, plant and equipment	(13.72)	(20.14)
Proceeds from sale of property, plant and equipment	0.05	0.13
Purchase of Intangible assets and expenditure on Intangible assets under development	(3.60)	(7.70)
Interest on deposits with banks and financial institutions	36.28	33.73
Decrease / (increase) in bank balance other than cash and cash equivalents	80.60	(56.55)
Purchase of investments	(7,154.34)	(7,348.70)
Sale of investments	7,175.66	7,366.56
Investment in government securities (net)	(447.34)	-
Income from government securities	11.99	-
Dividend Income	-	0.28
Investment in equity shares	-	(0.56)
Net cash flows (used in)/ from investing activities (B)	**(314.42)**	**(32.95)**
Cash flow from financing activities:		
Debt securities issued/(repaid) (net)	256.34	(257.19)
Borrowings other than debt securities issued (net)	3,123.33	2,264.41
Subordinated liabilities repaid (net)	(0.44)	(25.00)
Payment of lease liability (net)	(18.89)	(18.36)
Proceeds from the employee stock options	4.73	3.03
Net cash flows from financing activities (C)	**3,365.07**	**1,966.89**
Net (decrease)/ increase in cash and cash equivalents	**(239.11)**	**(779.53)**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	1,580.51	2,360.04
Cash and cash equivalents as at the end of the year (Refer Note 4)	**1,341.40**	**1,580.51**

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

1. Corporate information

CreditAccess Grameen Limited (CIN- L51216KA1991PLC053425) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company (‘NBFC-ND’) with the Reserve Bank of India (‘RBI’) and has got classified as a Non-Banking Financial Company – Micro Finance Institution (‘NBFC-MFI’) with effect from September 5, 2013. The Company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE'). The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B- 02.00252). The Compnay is located at New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India.

The Company is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups (‘JLG’) or Self Help Groups ('SHG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members. The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 16, 2023.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated. These standalone financial statements have been prepared on a going concern basis.

2.1. Presentation of standalone financial statements

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

2.2. Critical accounting estimates and judgements

The preparation of the Company’s standalone financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management’s estimates are based. Accounting estimates and judgements are used in various line items in the standalone financial statements for e.g.:

- Business model assessment (Refer Note no. 3.14)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no. 3.15)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)
- Hedge accounting (Refer Note no. 3.17)

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

3.1.1 Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

3.1.2 Interest on financial assets at fair value through profit and loss (FVTPL) is recognised in accordance with the contractual terms of the instrument.

3.1.3 The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

3.1.4 The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.1.5 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.6 Dividend Income

Dividend income is recognised when the right to receive payment is established.

3.2 Finance cost

Borrowing cost on financial liabilities including towards securitisation transactions not derecognised by the Company are recognised by applying the EIR.

3.3 Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to cash with an insignificant risk of changes in value.

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6 Depreciation and amortization

3.6.1 Depreciation

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

Property, plant and equipment costing less then ₹ 5000 per unit are fully depreciated in the year of purchase.

3.6.2 Amortisation of intangible assets and Impairment of Goodwill

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. Customer relationship is amortised over a period of 10 years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.7 Impairment of non–financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3 Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11 Taxes

3.11.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 38.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the “Share options outstanding account” in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1 Financial Assets

3.14.1.1. Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2. Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3. Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:
(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4. Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5. Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

3.14.2 Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as such on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset
Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Company has transferred substantially all the risks and rewards of the asset
or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Compnay's policy for grouping financial assets measured on a collective basis is explained in Note 41.

Accordingly, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 41). The Company records an allowance for the LTECLs.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Hedge accounting

The Company enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Company does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

Here, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as ‘hedging reserve’.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item.

The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.18 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Company.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
• Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
• Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 - Unobservable inputs for the asset or liability.

3.19 Segment information

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

3.20 Business combination

3.20.1 Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial Information, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The identity of the reserves are preserved and appear in the financial statements of the transferee in same form in which they appeared in the financial statements of the transferor.

3.20.2 Other business combinations

The Company uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Transaction costs that the Compnay incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder’s fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.21 Foreign currency

3.21.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.21.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.21.3 Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.22 Leases (where the Company is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

The Company as a lessee

The Company’s lease asset classes primarily consist of leases for office premises and servers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

3.23 Investments

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI). All other investments are classified and measured as FVTPL only.

3.24 Recent Accounting pronouncements

3.24.1 Key New and amended standards adopted by the Company

(a) Ind AS 16, Property Plant and Equipment; Proceeds before intended use of property, plant and equipment
The amendment clarifies that an entity shall not deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

(b) Ind AS 37, Provisions, contingent Liabilities and contingent Assets; Onerous contracts - Cost of fulfilling a contract
The amendment explains that the cost of fulfilling a contract comprises; the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(c) Ind AS 109, Financial instruments; Fees Included in the 10% test for derecognition of financial Liabilities.
The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, Including fees paid or received by either the entity or the lender on the other's behalf.

3.24.2 Key Amendments applicable from next Financial year

(a) Disclosure of Accounting Policies-Amendments to Ind AS 1, Presentation of financial statements
The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is material accounting policy information and explain how to identity when accounting policy information is material.They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

(b) Definition of Accounting Estimates-Amendments to Ind AS 8. Accounting policies, changes in accounting estimates and errors
The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the curent period.

(c) Deferred tax related to assets and liabilities transaction Amendments to Ind AS 12 Income taxes
The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and liabilities at the beginning of the eartiest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, and decommissioning restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings or another component of equity,as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable.

The Company does not expect any of these amendments to have any material effect on the financial statements.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

4 Cash and cash equivalents

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Cash in hand	12.43	7.58	8.24
Balances with Banks in current accounts	211.01	100.35	216.98
Bank deposit with maturity of less than 3 months	1,117.96	1,472.58	2,134.82
Total	**1,341.40**	**1,580.51**	**2,360.04**

5 Bank balance other than cash and cash equivalents

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Fixed deposit with bank not considered as cash and cash equivalents*	95.01	180.84	124.29
Total	**95.01**	**180.84**	**124.29**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Loans $

₹ in crore

Particulars	March 31,2023			March 31,2022			March 31, 2021		
	Amortised cost	At fair value through OCI #	Total	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:									
Group lending **	19,224.27	-	19,224.27	3,547.06	11,555.32	15,102.38	2,650.95	9,275.37	11,926.32
Individual loans	166.92	-	166.92	196.81	-	196.81	416.79	-	416.79
Total - Gross	**19,391.19**	**-**	**19,391.19**	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	347.85	-	347.85	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**19,043.34**	**-**	**19,043.34**	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(B) Loan to subsidary:									
Madhura Micro Education Private Limited	-	-	-	-	-	-	2.32	-	2.32
Total - Gross	**-**	**-**	**-**	**-**	**-**	**-**	**2.32**	**-**	**2.32**
Less: Impairment loss allowance	-	-	-	-	-	-	2.32	-	2.32
Total - Net*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(C) (a) Secured by tangible assets	60.21	-	60.21	9.24	-	9.24	6.34	-	6.34
(b) Unsecured	19,330.98	-	19,330.98	3,734.63	11,555.32	15,289.95	3,063.72	9,275.37	12,339.09
Total - Gross	**19,391.19**	**-**	**19,391.19**	**3,743.87**	**11,555.32**	**15,299.19**	**3,070.06**	**9,275.37**	**12,345.43**
Less: Impairment loss allowance	347.85	-	347.85	224.60	309.26	533.86	242.91	382.04	624.95
Total - Net*	**19,043.34**	**-**	**19,043.34**	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(D) (I) Loans in India									
(a) Public sector	-	-	-	-	-	-	-	-	-
(b) Others	19,391.19	-	19,391.19	3,743.87	11,555.32	15,299.19	3,070.06	9,275.37	12,345.43
Total - Gross	**19,391.19**	**-**	**19,391.19**	**3,743.87**	**11,555.32**	**15,299.19**	**3,070.06**	**9,275.37**	**12,345.43**
Less: Impairment loss allowance	347.85	-	347.85	224.60	309.26	533.86	242.91	382.04	624.95
Total - Net*	**19,043.34**	**-**	**19,043.34**	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(E) (II) Loans outside India	**-**	**-**	-	**-**	**-**	-	**-**	**-**	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total - Net*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

*Includes fair value of loans designated at FVOCI.

** Group Lending includes both Joint Liability Loans and Self Help Group Loans including securitized assets.

During the quarter ended June 30, 2022, the Company had reassessed its business model and concluded that Income Generating Loans (IGL) are primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding. Accordingly, as required under Ind AS 109, IGL loans portfolio which were earlier classified as and valued at "Fair Value through other Comprehensive Income" have been classified as and valued at "Amortised cost" with effect from July 01, 2022. Consequently, the Company has reversed accumulated fair value loss of ₹ 84.14 crores on such IGL loans and related deferred tax of ₹ 21.18 crores in other equity on July 01, 2022.

$ The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013),either severally or jointly with any other person that are - (a) repayable on demand or (b) without specifying any terms or period of repayment.

6(A) Group lending loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances (including loans measured at FVTOCI) in relation to Group lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2022	**14,402.74**	**180.67**	**518.97**	**15,102.38**
(a) New assets originated or purchased	18,281.23	-	-	18,281.23
(b) Asset derecognised or repaid (Excluding write offs) #	(13,443.55)	(75.29)	(91.55)	(13,610.39)
Assets written off during the year	-	-	(548.95)	(548.95)
Movement between stages				
Transfer from Stage 1	(371.14)	179.19	191.95	-
Transfer from Stage 2	50.95	(243.85)	192.90	-
Transfer from Stage 3	31.11	2.16	(33.27)	-
Gross carrying value of assets as at March 31, 2023	**18,951.34**	**42.88**	**230.05**	**19,224.27**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2022	**113.60**	**53.39**	**324.55**	**491.54**
(a) New assets originated or purchased	148.42	-	-	148.42
(b) Asset derecognised or repaid (Excluding write offs) #	(107.72)	(29.20)	(61.46)	(198.38)
Assets written off during the year			(548.95)	(548.95)
Movement between stages				
Transfer from Stage 1	(3.20)	1.47	1.73	-
Transfer from Stage 2	26.82	(122.69)	95.86	-
Transfer from Stage 3	22.51	1.55	(24.06)	-
Impact on ECL on account of movement between stages	(46.39)	116.17	375.95	445.73
ECL allowance as at March 31, 2023	**154.04**	**20.69**	**163.62**	**338.36**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2021	**11,200.06**	**210.24**	**516.02**	**11,926.32**
(a) New assets originated or purchased	15,399.29	-	-	15,399.29
(b) Asset derecognised or repaid (Excluding write offs) #	(10,573.38)	(574.38)	(424.64)	(11,572.40)
Assets written off during the year	-	-	(650.83)	(650.83)
Movement between stages				
Transfer from Stage 1	(2,153.68)	1,474.02	679.66	-
Transfer from Stage 2	468.10	(1,003.41)	535.31	-
Transfer from Stage 3	62.35	74.20	(136.55)	-
Gross carrying value of assets as at March 31, 2022	**14,402.74**	**180.67**	**518.97**	**15,102.38**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	**182.03**	**41.92**	**347.54**	**571.49**
(a) New assets originated or purchased	110.80	-	-	110.80
(b) Asset derecognised or repaid (Excluding write offs) #	(127.63)	(139.93)	(287.71)	(555.27)
Assets written off during the year	-	-	(650.83)	(650.83)
Movement between stages				
Transfer from Stage 1	(15.28)	10.15	5.13	-
Transfer from Stage 2	200.07	(411.00)	210.93	-
Transfer from Stage 3	46.76	55.66	(102.42)	-
Impact on ECL on account of movement between stages	(283.15)	496.59	801.91	1,015.35
ECL allowance as at March 31, 2022 *	**113.60**	**53.39**	**324.55**	**491.54**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 309.26 crores

6(B) Individual lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2022	**151.99**	**5.14**	**39.68**	**196.81**
(a) New assets originated or purchased	143.06	-	-	143.06
(b) Asset derecognised or repaid (Excluding write offs) #	(126.90)	(1.79)	(6.24)	(134.93)
Assets written off during the year	-	-	(38.02)	(38.02)
Movement between stages				
Transfer from Stage 1	(8.72)	6.27	2.45	-
Transfer from Stage 2	0.20	(9.19)	8.99	-
Transfer from Stage 3	0.31	0.21	(0.52)	-
Gross carrying value of assets as at March 31, 2023	**159.94**	**0.64**	**6.34**	**166.92**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2022	**3.04**	**2.53**	**36.75**	**42.32**
(a) New assets originated or purchased	2.91	-	-	2.91
(b) Asset derecognised or repaid (Excluding write offs) #	(2.57)	(0.89)	(5.80)	(9.26)
Assets written off during the year	-	-	(38.02)	(38.02)
Movement between stages				
Transfer from Stage 1	(0.18)	0.13	0.05	-
Transfer from Stage 2	0.10	(4.60)	4.50	-
Transfer from Stage 3	0.29	0.20	(0.49)	-
Impact on ECL on account of movement between stages	(0.36)	2.96	8.94	11.54
ECL allowance as at March 31, 2023	**3.23**	**0.33**	**5.93**	**9.49**

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2021	**371.50**	**12.63**	**32.67**	**416.79**
(a) New assets originated or purchased	72.81	-	-	72.81
(b) Asset derecognised or repaid (Excluding write offs) #	(228.63)	(19.22)	(10.24)	(258.09)
Assets written off during the year	-	-	(34.71)	(34.71)
Movement between stages				
Transfer from Stage 1	(84.58)	77.88	6.70	-
Transfer from Stage 2	20.34	(75.98)	55.64	-
Transfer from Stage 3	0.55	9.83	(10.38)	-
Gross carrying value of assets as at March 31, 2022	**151.99**	**5.14**	**39.68**	**196.81**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	**12.41**	**6.17**	**32.57**	**51.15**
(a) New assets originated or purchased	1.47	-	-	1.47
(b) Asset derecognised or repaid (Excluding write offs) #	(6.14)	(9.34)	(9.59)	(25.07)
Assets written off during the year			(34.70)	(34.70)
Movement between stages				
Transfer from Stage 1	(1.67)	1.53	0.14	-
Transfer from Stage 2	10.16	(37.42)	27.26	-
Transfer from Stage 3	0.56	9.83	(10.39)	-
Impact on ECL on account of movement between stages	(13.75)	31.76	31.46	49.47
ECL allowance as at March 31, 2022	**3.04**	**2.53**	**36.75**	**42.32**

Represents balancing figure.

7 Investments* ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Investments in fully paid equity shares			
Unquoted			
(i) At fair value through profit and loss			
(a) Alpha Microfinance Consultants Private Ltd	0.54	0.54	0.54
(ii) At amortised cost #			
(a) Investment in Madura Micro Education Private Limited (Subsidiary)	-	1.49	1.49
Less: Provision for Impairment loss	-	(1.49)	(1.49)
(b) Creditaccess India Foundation (Subsidiary)	0.01	0.01	-
(c) Investment in Government Securities	453.98	-	-
Total	**454.53**	**0.55**	**0.54**

* All Investment in Note 7 above are within India.

Madura Micro Education Private Limited (One of the subsidiary company) does not have any operations or business activity post March 31, 2021. The subsidiary company has been struck-off by the Office of the Registrar of Companies, Tamil Nadu vide its Public Notice No.ROC/Chn/S.248 (2)/ 303/2022/5 dated October 31, 2022, as per the application filed by MMEPL.

8 Other financial assets ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Receivable from assignment of portfolio (unsecured, considered good)	104.44	78.67	105.47
Security deposits (unsecured, considered good)*	14.13	12.95	11.73
Loans and advances to employees (unsecured, considered good)	14.42	15.20	8.02
Other financial assets			
Unsecured, considered good	16.60	11.66	7.09
Unsecured, considered doubtful	0.50	1.53	0.39
Less: Provision for doubtful advances	(0.50)	(1.53)	(0.39)
Total	**149.59**	**118.48**	**132.31**

* Includes an amount of ₹ 0.06 crore (Previous year ₹ 0.06 crore) paid under protest towards PF Notice (Refer Note.34)

9 Other non-financial assets ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Prepaid expenses	13.14	7.41	5.46
Advances to employees	0.03	0.23	0.15
Capital Advance	-	-	1.17
Other advances			
Unsecured, considered good	5.95	2.57	6.43
Unsecured, considered doubtful	2.28	1.21	0.98
Less: Provision for doubtful advances	(2.28)	(1.21)	(0.98)
Total	**19.12**	**10.21**	**13.21**

₹ in crore

10 (A)

Particulars	Property, plant and equipment								Total	Right of use assets		Total	Intangible assets		
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Freehold land	Buildings		Buildings	Computer		Computer software	Customer relationship	Total
Cost:															
At March 31, 2021	**17.44**	**0.91**	**10.57**	**9.24**	**17.99**	**0.63**	**0.17**	**0.21**	**57.16**	**24.43**	**62.73**	**87.16**	**33.72**	**162.82**	**196.54**
Additions	4.45	0.19	3.19	0.68	5.75	0.25	5.64	-	**20.15**	0.88	19.06	**19.94**	5.25	-	**5.25**
Disposals	(0.66)	(0.02)	(0.06)	-	(0.54)	-	-	-	**(1.28)**	(1.06)	-	**(1.06)**	-	-	**-**
At March 31, 2022	**21.23**	**1.08**	**13.70**	**9.92**	**23.20**	**0.88**	**5.81**	**0.21**	**76.03**	**24.25**	**81.79**	**106.04**	**38.97**	**162.82**	**201.79**
Additions	5.26	0.20	2.65	0.67	4.71	0.29	-	-	**13.78**	4.97	-	**4.97**	2.74	-	**2.74**
Disposals	(0.02)	(0.02)	(0.05)	-	(0.96)	(0.20)	-	-	**(1.25)**	-	(1.61)	**(1.61)**	(0.66)	-	**(0.66)**
At March 31, 2023	**26.47**	**1.26**	**16.30**	**10.59**	**26.95**	**0.97**	**5.81**	**0.21**	**88.56**	**29.22**	**80.18**	**109.40**	**41.05**	**162.82**	**203.87**
Depreciation/Amortisation:															
At March 31, 2021	**11.65**	**0.71**	**6.11**	**5.26**	**8.80**	**0.47**	**-**	**0.01**	**33.00**	**8.17**	**11.49**	**19.66**	**16.05**	**16.95**	**33.00**
Depreciation/Amortisation charge for the year	4.40	0.20	2.02	1.42	4.28	0.08	-	0.01	**12.41**	4.78	7.90	**12.68**	5.77	16.37	**22.14**
Disposals	(0.65)	(0.01)	(0.05)	-	(0.45)	-	-	-	**(1.16)**	(1.06)	-	**(1.06)**	-	-	**-**
At March 31, 2022	**15.40**	**0.90**	**8.08**	**6.68**	**12.63**	**0.55**	**-**	**0.02**	**44.25**	**11.89**	**19.39**	**31.28**	**21.82**	**33.32**	**55.14**
Depreciation/Amortisation charge for the year	3.99	0.24	1.56	1.34	6.14	0.10	-	0.01	**13.38**	4.35	9.24	**13.59**	6.45	16.42	**22.87**
Disposals	(0.02)	(0.01)	(0.05)	-	(0.85)	(0.20)	-	-	**(1.13)**	-	(0.22)	**(0.22)**	(0.66)	-	**(0.66)**
At March 31, 2023	**19.37**	**1.13**	**9.59**	**8.02**	**17.92**	**0.45**	**-**	**0.03**	**56.50**	**16.24**	**28.41**	**44.65**	**27.61**	**49.74**	**77.35**
Net book value:															
At March 31, 2021	**5.79**	**0.20**	**4.47**	**3.98**	**9.19**	**0.16**	**0.17**	**0.20**	**24.16**	**16.26**	**51.24**	**67.50**	**17.67**	**145.87**	**163.54**
At March 31, 2022	**5.83**	**0.18**	**5.62**	**3.24**	**10.57**	**0.33**	**5.81**	**0.19**	**31.78**	**12.36**	**62.41**	**74.76**	**17.15**	**129.50**	**146.65**
At March 31, 2023	**7.10**	**0.13**	**6.71**	**2.57**	**9.03**	**0.52**	**5.81**	**0.18**	**32.06**	**12.98**	**51.77**	**64.75**	**13.44**	**113.08**	**126.52**

Note:

(i) There were no change due to revaluation and changes due to impairment losses in current and previous years. The Company acquired the assets on account of Merger w.e.f April 1 ,2020.

(ii) There are no immovable properties whose title deed are not held in name of the Company or are jointly held with others.

10 (B) **(i) Intangible assets under development**

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Opening	**3.07**	**0.62**
Additions during the year	2.86	3.84
Less: Capitalised during the year	(1.99)	(1.39)
Closing	**3.94**	**3.07**

(ii) Intangible assets under development aging schedule as at 31 March 2023*

₹ in crore

Particulars	March 31, 2023				March 31, 2022				March 31, 2021			
	Amount in Intangible assets under development for				Amount in Intangible assets under				Amount in Intangible assets under development for			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**1.90**	**2.04**	**-**	**-**	**2.64**	**0.43**	**-**	**-**	**0.62**	**-**	**-**	**-**

*There was no Project which was temporarily suspended as at March 31, 2023, March 31, 2022 and March 31, 2021.

11 Derivative financial instruments

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Part I			
(i) Cross currency interest rate swap derivatives: #			
Fair value liability			
Cross currency interest rate swaps	-	1.66	-
Total	**-**	**1.66**	**-**
Part II			
(i) Cross currency interest rate swap derivatives: #			
Fair value Assets			
Cross currency interest rate swaps	31.63	-	-
Total	**31.63**	**-**	**-**
Part III			
Included in above (Part I and Part II) are derivatives held for hedging and risk management purposes as follows:			
(i) Cash flow hedging:			
Fair value liability			
Cross currency interest rate swaps	-	(1.66)	-
Fair value Assets			
Cross currency interest rate swaps	31.63	-	-
Total	**31.63**	**(1.66)**	**-**

Notional amounts of Cross currency interest rate swaps of ₹ 1,575.32 crore (March 31, 2022 : ₹ 111.75 crore).

12 Payables

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	0.10	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	43.95	34.78	22.05
Total	**44.05**	**34.78**	**22.05**
Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	259.65	224.03	179.65
Total	**259.65**	**224.03**	**179.65**
Total Payable	**303.70**	**258.81**	**201.70**

Note:

(A) Dues to micro enterprises and small enterprises:

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	0.10	-	-
(ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	0.00	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	0.00	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-	-

(B) Trade Payables aging schedule*

(i) As at March 31, 2023

₹ in crore

Particulars	Outstanding for following periods from due date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	March 31, 2023				
(i) MSME	**0.10**	**-**	**-**	**-**	**0.10**
(ii) Others	**43.95**	**-**	**-**	**-**	**43.95**
	March 31, 2022				
(i) MSME	**-**	**-**	**-**	**-**	**-**
(ii) Others	**34.74**	**0.04**	**-**	**-**	**34.78**
	March 31, 2021				
(i) MSME	**-**	**-**	**-**	**-**	**-**
(ii) Others	**22.05**	**-**	**-**	**-**	**22.05**

*There were no Disputed payable as at March 31, 2023, March 31, 2022 and March 31, 2021.

13 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Debentures (secured)	1,672.35	1,418.10	1,659.94
Debentures (unsecured)	-	-	15.01
Total	**1,672.35**	**1,418.10**	**1,674.95**
Debt securities in India	1,672.35	1,418.10	1,674.95
Debt securities outside India	-	-	-
Total	**1,672.35**	**1,418.10**	**1,674.95**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Company.

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures			Face value	Amount in crore		
	March 31, 2023	March 31, 2022	March 31, 2021		March 31, 2023	March 31, 2022	March 31, 2021
11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	195	10,00,000	19.51	19.50	19.48
11.48% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	195	10,00,000	19.51	19.49	19.47
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after three years from the date of allotment i.e. February 27, 2020.	-	800	800	10,00,000	-	80.52	80.33
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000	1,000	10,00,000	-	100.94	100.95
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	-	459	905	10,00,000	-	47.39	93.19
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	2,140	10,00,000	221.07	220.19	219.39
10.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after thirty four months from the date of allotment i.e. June 29, 2020.	240	725	1,208	10,00,000	24.27	74.29	123.74
9.81% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after three years from the date of allotment i.e. July 31, 2020.	84	167	250	10,00,000	8.46	16.89	25.31
10.00% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after three years from the date of allotment i.e. June 26, 2020.	500	500	500	10,00,000	53.74	53.62	53.52
10.05% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after three years from the date of allotment i.e. July 3, 2020.	300	300	300	10,00,000	32.20	32.15	32.10
9.95% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after thirty four months from the date of allotment i.e. July 27, 2020.	1,000	1,000	1,000	10,00,000	106.72	106.64	106.57
10.20% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after thirty seven months from the date of allotment i.e. March 13, 2020.	-	170	170	10,00,000	-	16.97	16.94
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after eighteen months from the date of allotment i.e. August 14, 2020.	-	-	500	10,00,000	-	-	52.84
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after eighteen months from the date of allotment i.e. August 14, 2020.	-	-	360	10,00,000	-	-	37.98
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after eighteen months from the date of allotment i.e. September 23, 2020.	-	-	500	10,00,000	-	-	49.93
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after eighteen months from the date of allotment i.e. September 23, 2020.	-	-	500	10,00,000	-	-	49.97
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after eighteen months from the date of allotment i.e. October 20, 2020.	-	1,000	1,000	10,00,000	-	104.04	103.73

Debentures (secured) (at amortised cost) (continued)

9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after eighteen months from the date of allotment i.e. November 11, 2020.	-	250	250	10,00,000	-	25.88	25.80
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after eighteen months from the date of allotment i.e. December 10, 2020.	-	250	1,000	10,00,000	-	25.12	100.35
9.00% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after two years from the date of allotment i.e. March 25, 2021.	-	500	500	10,00,000	-	54.13	49.55
10.42% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after three years from the date of allotment i.e. March 31, 2021.	1,450	1,450	1,450	10,00,000	144.96	144.93	144.90
8.56% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after two years and five days from the date of allotment i.e. August 31, 2021.	1,000	1,000	-	10,00,000	113.12	104.11	-
9.90% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after three years and fifteen days from the date of allotment i.e. April 30, 2021.	710	710	-	10,00,000	70.96	70.92	-
9.70% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after three years from the date of allotment i.e. March 11, 2022.	552	552	-	10,00,000	55.13	55.09	-
8.45% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after two years and three months from the date of allotment i.e. September 27, 2022.	600	-	-	10,00,000	61.86	-	-
10.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after four years from the date of allotment i.e. November 18, 2022.	2,400	-	-	10,00,000	246.50	-	-
9.45% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after two years from the date of allotment i.e. November 23, 2022.	18,53,133	-	-	1,000	182.81	-	-
9.83% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after two years from the date of allotment i.e. November 23, 2022.	2,50,620	-	-	1,000	25.50	-	-
9.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after three years from the date of allotment i.e. November 23, 2022.	21,24,936	-	-	1,000	209.40	-	-
10.02% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after three years from the date of allotment i.e. November 23, 2022.	1,33,912	-	-	1,000	13.62	-	-
10.00% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after five years from the date of allotment i.e. November 23, 2022.	5,54,955	-	-	1,000	54.64	-	-
10.46% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000 each redeemable after five years from the date of allotment i.e. November 23, 2022.	82,444	-	-	1,000	8.37	-	-
10.11% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is June 30, 2022, redeemable in four equal instillments on October 04, 2021, December 31, 2021, March 31, 2022 and balance to be redeemed on June 30, 2022	-	250	250	10,00,000	-	6.25	25.00
10.50% Non-convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures. The NCD is redeemable in one bullet payment redeemed on February 17, 2022	-	-	500	10,00,000	-	-	53.26
11.00% Non-Convertible Debentures - Privately placed, unlisted Secured by exclusive charge on the loans created out of the proceeds of the debentures and immovable properties. 99.99% of the principal amount of the NCD is redeemable on May 13, 2021 and balance on May 13, 2023 **	-	-	360	10,00,000	-	-	37.46
9.80% Non-convertible Debentures - Privately placed, Unlisted. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is April 23, 2024, with 99.99% redeemable on April 23, 2024 and balance to be redeemed on April 23, 2024**.	-	3,750	3,750	1,00,000	-	38.57	38.12
Total *	**50,11,366**	**17,363**	**19,583**		**1,672.35**	**1,417.63**	**1,659.88**

* The above excludes the impact of fair valuation of debt securities on acquisition.
** The balance 0.01% was prepaid on January 31, 2022

Debentures (unsecured) at amortised cost

Terms of debentures	Number of debentures			Face value (in Rs)	Amount (₹ in crores)		
	March 31, 2023	March 31, 2022	March 31, 2021		March 31, 2023	March 31, 2022	March 31, 2021
13.00% Non-Convertible Debentures - Privately placed, listed, unsecured .The NCD is redeemable on 16-Aug-2021.	-	-	150	10,00,000	-	-	15.01

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2023 ₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Half Yearly	1-3 years	10.5%-11%	1	24.17	-	-	-	-	-	-	-	-	-	-	24.17
		Above 3 years	9.5%-10%	2	107.00	2	107.00	-	-	-	-	-	-	-	-	214.00
	Bullet	1-3 years	8%-8.5%	-	-	1	60.00	-	-	-	-	-	-	-	-	60.00
			8.5%-9%	1	100.00	-	-	-	-	-	-	-	-	-	-	100.00
			9%-9.5%	-	-	1	185.31	-	-	-	-	-	-	-	-	185.31
			9.5%-10%	2	108.33	2	80.26	1	212.49	-	-	-	-	-	-	401.08
			10%-10.5%	3	225.00	-	-	1	13.39	-	-	-	-	-	-	238.39
		Above 3 years	9.5%-10%	-	-	1	71.00	-	-	-	-	-	-	-	-	71.00
			10%-10.5%	-	-	-	-	-	-	-	-	2	63.74	-	-	63.74
			11%-11.5%	1	19.50	-	-	-	-	-	-	-	-	-	-	19.50
			11.5%-12%	1	19.50	-	-	-	-	-	-	-	-	-	-	19.50
			14%-14.5% $	-	-	1	50.00	-	-	-	-	-	-	-	-	50.00
	Annually	Above 3 years	10%-10.5%	-	-	-	-	1	48.00	1	192.00	-	-	-	-	240.00
Term loan banks	Monthly	1-3 years	7%-7.5%	4	3.64	-	-	-	-	-	-	-	-	-	-	3.64
			7.5%-8.0%	94	549.59	51	457.26	6	106.12	-	-	-	-	-	-	1,112.97
			8%-8.5%	126	228.43	46	30.28	-	-	-	-	-	-	-	-	258.71
			8.5%-9%	341	1,232.92	147	760.28	16	97.20	-	-	-	-	-	-	2,090.40
			9%-9.5%	651	1,964.95	427	1,563.56	112	360.19	-	-	-	-	-	-	3,888.70
			9.5%-10%	345	621.62	104	159.15	3	2.50	-	-	-	-	-	-	783.27
			10%-10.5%	198	277.85	56	89.46	3	1.82	-	-	-	-	-	-	369.13
			10.5%-11%	59	73.45	11	10.56	-	-	-	-	-	-	-	-	84.01
			11%-11.5%	34	37.77	2	2.06	-	-	-	-	-	-	-	-	39.83
			11.5%-12%	24	37.50	6	9.38	-	-	-	-	-	-	-	-	46.88
		Above 3 years	7.5%-8.0%	24	33.33	14	19.37	-	-	-	-	-	-	-	-	52.70
			8%-8.5%	6	29.09	-	-	-	-	-	-	-	-	-	-	29.09
			8.5%-9%	12	27.27	6	13.64	-	-	-	-	-	-	-	-	40.91
			9%-9.5%	35	51.96	17	23.04	9	6.25	-	-	-	-	-	-	81.25
			9.5%-10%	5	1.41	-	-	-	-	-	-	-	-	-	-	1.41
			10%-10.5%	19	20.60	12	10.91	3	2.73	-	-	-	-	-	-	34.24
			10.5%-11%	12	1.14	12	1.25	12	1.37	5	0.66	-	-	-	-	4.42
	Quarterly	1-3 years	7.5%-8%	8	45.00	6	27.50	1	2.50	-	-	-	-	-	-	75.00
			8%-8.5%	7	117.50	3	60.00	-	-	-	-	-	-	-	-	177.50
			8.5%-9%	12	98.67	12	99.35	2	18.10	-	-	-	-	-	-	216.12
			9%-9.5%	28	226.62	27	288.74	9	154.55	-	-	-	-	-	-	669.91
			9.5%-10.0%	27	89.72	21	78.47	1	8.75	-	-	-	-	-	-	176.94
			10.0%-10.5%	24	154.38	13	78.28	-	-	-	-	-	-	-	-	232.66
		Above 3 years	7.5%-8.0%	3	15.00	4	20.00	-	-	-	-	-	-	-	-	35.00
			9%-9.5%	7	63.64	8	72.73	-	-	-	-	-	-	-	-	136.37
	Half Yearly	1-3 years	10.0%-10.5%	2	20.00	-	-	-	-	-	-	-	-	-	-	20.00
	Bullet	1-3 years	8.5%-9.0%	-	-	1	12.50	-	-	-	-	-	-	-	-	12.50
			9.0%-9.5%	2	40.00	-	-	-	-	-	-	-	-	-	-	40.00
			10.0%-10.5%	1	27.50	-	-	-	-	-	-	-	-	-	-	27.50

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2023 ₹ in crore

Term loan from financial institutions	**Monthly**	**1-3 years**	9.0%-9.5%	7	117.25	8	132.75	-	-	-	-	-	-	-	-	250.00
			12.0%-12.5%	24	40.00	18	26.67	-	-	-	-	-	-	-	-	66.67
	Quarterly	**1-3 years**	7.0%-7.5%	4	100.00	4	100.00	3	75.00	-	-	-	-	-	-	275.00
		Above 3 years	9.5%-10.0%	12	145.20	12	99.00	12	55.20	5	32.60	-	-	-	-	332.00
			11.5%-12.0%	4	2.50	3	1.50	-	-	-	-	-	-	-	-	4.00
	Half Yearly	**Above 3 years**	11.5%-12%	16	409.15	6	180.00	-	-	-	-	-	-	-	-	589.15
Term loan from non-banking financial companies	**Monthly**	**1-3 years**	9%-9.5%	46	77.02	42	71.39	20	45.29	-	-	-	-	-	-	193.70
			9.5%-10%	43	57.47	25	37.11	20	30.72	-	-	-	-	-	-	125.30
			10%-10.5%	16	38.74	12	37.71	-	-	-	-	-	-	-	-	76.45
		Above 3 years	10.5%-11.0%	24	36.36	6	12.12	-	-	-	-	-	-	-	-	48.48
			10.0%-10.5%	22	15.24	23	16.79	-	-	-	-	-	-	-	-	32.03
	Quarterly	**1-3 years**	9%-9.5%	4	8.33	4	8.33	-	-	-	-	-	-	-	-	16.66
			9.5%-10%	7	26.25	6	26.67	4	21.67	1	5.42	-	-	-	-	80.01
			10.0%-10.5%	4	8.33	-	-	-	-	-	-	-	-	-	-	8.33
	Half-yearly	**1-3 years**	10.5%-11.0%	4	15.33	-	-	-	-	-	-	-	-	-	-	15.33
External commercial borrowings	**Half Yearly**	**Above 3 years**	9.0%-9.5%	-	-	1	32.70	2	65.39	2	65.39	-	-	-	-	163.48
			9.5%-10.0%	-	-	2	115.47	4	230.94	4	230.94	-	-	-	-	577.35
			10.0%-10.5%	-	-	2	44.70	2	44.70	1	22.35	-	-	-	-	111.75
			10.5%-11.0%	-	-	-	-	-	-	2	82.22	2	82.22	-	-	164.44
	Yearly	**Above 3 years**	9.5%-10.0%	-	-	-	-	1	38.79	1	38.79	1	77.58	-	-	155.16
	Bullet	**1-3 years**	9.5%-10.0%	-	-	-	-	1	199.38	-	-	-	-	-	-	199.38
		1-3 years	10.0%-10.5%	-	-	-	-	1	203.75	-	-	-	-	-	-	203.75
Sub-debt	**Bullet**	**Above 3 years**	14.5%-15%	-	-	-	-	1	12.50	1	12.50	-	-	-	-	25.00
Securitisation	**Monthly**	**1-3 years**	8.5%-9.0%	12	72.65	5	26.12	-	-	-	-	-	-	-	-	98.77
Grand Total				**2,370.00**	**7,863.87**	**1,193.00**	**5,410.37**	**251.00**	**2,059.29**	**23.00**	**682.87**	**5.00**	**223.54**	**-**	**-**	**16,239.94**

$ Sub-debt in the nature of Debentures.

Note: The above amount pertains to the principal outstanding only.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2022 ₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Monthly	Above 3 years	9.50%-10.00%	1	37.50	-	-	-	-	-	-	-	-	-	-	37.50
	Quarterly	1-3 years	9%-9.5%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
			10%-10.5%	1	6.25	-	-	-	-	-	-	-	-	-	-	6.25
	Half Yearly	1-3 years	10.5%-11%	2	48.33	1	24.17	-	-	-	-	-	-	-	-	72.50
		Above 3 years	9.5%-10%	-	-	2	107.00	2	107.00	-	-	-	-	-	-	214.00
	Bullet	1-3 years	8.5%-9%	-	-	1	100.00	-	-	-	-	-	-	-	-	100.00
			9%-9.5%	3	175.00	-	-	-	-	-	-	-	-	-	-	175.00
			9.5%-10%	1	8.33	2	108.34	-	-	-	-	-	-	-	-	116.67
			10%-10.5%	-	-	2	80.00	-	-	-	-	-	-	-	-	80.00
		Above 3 years	9.5%-10%	-	-	-	-	2	126.20	-	-	-	-	-	-	126.20
			10%-10.5%	1	17.00	1	145.00	-	-	-	-	-	-	-	-	162.00
			11%-11.5%	1	80.00	1	19.50	-	-	-	-	-	-	-	-	99.50
			11.5%-12%	1	100.00	1	19.50	-	-	-	-	-	-	-	-	119.50
			14%-14.5% $	-	-	1	50.00	-	-	-	-	-	-	-	-	50.00
	Annually	Above 3 years	10%-10.5%	1	45.90	-	-	-	-	-	-	-	-	-	-	45.90
Term loan banks	Monthly	1-3 years	5.5%-6.0%	9	16.88	-	-	-	-	-	-	-	-	-	-	16.88
			6.5%-7.0%	24	27.27	9	10.45	-	-	-	-	-	-	-	-	37.73
			7%-7.5%	56	183.42	46	138.86	11	26.47	-	-	-	-	-	-	348.75
			7.5%-8.0%	591	1,720.29	299	959.59	20	180.00	-	-	-	-	-	-	2,859.87
			8%-8.5%	285	713.72	197	554.13	62	175.10	-	-	-	-	-	-	1,442.96
			8.5%-9%	412	954.95	250	398.92	4	10.38	-	-	-	-	-	-	1,364.24
			9%-9.5%	212	472.63	107	245.00	7	11.88	-	-	-	-	-	-	729.51
			9.5%-10%	21	19.24	12	8.53	-	-	-	-	-	-	-	-	27.77
			10%-10.5%	26	46.75	-	-	-	-	-	-	-	-	-	-	46.75
			11%-11.5%	19	30.33	-	-	-	-	-	-	-	-	-	-	30.33
		Above 3 years	7%-7.5%	36	66.67	36	66.67	26	52.78	-	-	-	-	-	-	186.12
			7.5%-8.0%	24	33.33	24	33.33	16	22.22	-	-	-	-	-	-	88.89
			8%-8.5%	105	259.70	77	96.44	52	43.91	-	-	-	-	-	-	400.05
			8.5%- 9%	15	5.90	5	1.42	-	-	-	-	-	-	-	-	7.33
			9%-9.5%	24	4.45	18	3.13	12	1.25	12	1.37	5	0.63	-	-	10.84
			9.5%- 10%	12	18.22	-	-	-	-	-	-	-	-	-	-	18.22
			10%-10.5%	35	30.28	7	9.69	-	-	-	-	-	-	-	-	39.97
			10.5%-11%	15	34.57	-	-	-	-	-	-	-	-	-	-	34.57
	Quarterly	1-3 years	7.5%-7.75%	3	60.00	4	80.00	3	60.00	-	-	-	-	-	-	200.00
			8%-8.5%	4	50.00	3	37.50	-	-	-	-	-	-	-	-	87.50
			8.5%-9%	8	71.43	4	36.36	5	45.45	-	-	-	-	-	-	153.25
			9%-9.5%	12	27.05	8	14.55	3	5.45	-	-	-	-	-	-	47.05
		Above 3 years	6.5%-7.0%	4	20.00	4	20.00	4	20.00	-	-	-	-	-	-	60.00
			8.5%-9%	3	6.82	4	9.09	4	9.09	-	-	-	-	-	-	25.00
			9%-9.5%	6	54.55	8	72.73	8	72.73	-	-	-	-	-	-	200.00
	Half Yearly	1-3 years	9.5%-10%	2	20.00	2	20.00	-	-	-	-	-	-	-	-	40.00
	Bullet	1-3 years	7.5%-8.0%	3	82.50	1	27.50	-	-	-	-	-	-	-	-	110.00
			8.5%-9%	4	90.00	-	-	-	-	-	-	-	-	-	-	90.00

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2022 ₹ in crore

Term loan from financial institutions	**Monthly**	**1-3 years**	6%-6.5%	24	108.50	-	-	-	-	-	-	-	-	-	-	108.50
		1-3 years	9.5%-10%	18	33.33	24	40.00	18	26.67	-	-	-	-	-	-	100.00
	Quarterly	**Above 3 years**	9%-9.5%	4	28.00	4	28.00	4	8.00	4	8.00	-	-	-	-	72.00
			9.5%-10%	8	140.80	8	117.20	8	91.00	8	47.20	5	32.60	-	-	428.80
			11.5%-12%	4	12.25	4	2.50	3	1.50	-	-	-	-	-	-	16.25
	Half Yearly	**1-3 years**	7%-7.5%	3	216.00	-	-	-	-	-	-	-	-	-	-	216.00
			10.5%-11%	2	82.49	-	-	-	-	-	-	-	-	-	-	82.49
		Above 3 years	10.5%-11%	8	12.30	-	-	-	-	-	-	-	-	-	-	12.30
			11.5%-12%	18	331.90	16	409.15	6	180.00	-	-	-	-	-	-	921.05
	Bullet	**1-3 years**	7%-7.5%	2	65.00	-	-	-	-	-	-	-	-	-	-	65.00
Term loan from non-banking financial companies	**Monthly**	**1-3 years**	8.5%-9%	32	76.96	16	42.06	12	37.71	-	-	-	-	-	-	156.74
			9%-9.5%	36	29.09	20	15.76	1	0.76	-	-	-	-	-	-	45.61
			9.5%-10%	16	25.82	4	15.33	-	-	-	-	-	-	-	-	41.16
			10%-10.5%	46	65.93	-	-	-	-	-	-	-	-	-	-	65.93
			11%-11.5%	3	4.21	-	-	-	-	-	-	-	-	-	-	4.21
		Above 3 years	9%-9.5%	36	42.56	36	44.05	26	27.85	-	-	-	-	-	-	114.45
	Quarterly	**1-3 years**	9%-9.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	25.00
			10%-10.5%	4	8.33	4	8.33	-	-	-	-	-	-	-	-	16.67
			11.5%-12%	3	4.07	-	-	-	-	-	-	-	-	-	-	4.07
External commercial borrowings	**Half Yearly**	**Above 3 years**	10%-10.5%	-	-	-	-	2	44.70	2	44.70	1	22.35	-	-	111.75
	Bullet	**1-3 years**	11%-11.5%	1	93.44	-	-	-	-	-	-	-	-	-	-	93.44
Sub-debt	**Bullet**	**Above 3 years**	14.5%-15%	-	-	-	-	-	-	-	-	1	12.50	1	12.50	25.00
Grand Total				**2,255.00**	**7,053.60**	**1,277.00**	**4,228.11**	**325.00**	**1,396.43**	**26.00**	**101.27**	**12.00**	**68.08**	**1.00**	**12.50**	**12,860.00**

$ Sub-debt in the nature of Debentures.

Note: The above amount pertains to the principal outstanding only.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	10% - 10.5%	3	18.75	1	6.25	-	-	-	-	-	-	-	-	25.00
			9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	1	50.00	-	-	2	80.00	-	-	-	-	-	-	130.00
			12.5% - 13%	1	15.00	-	-	-	-	-	-	-	-	-	-	15.00
		Above 3 years	9.5% - 10%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
			10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			10.5% - 11%	2	36.00	-	-	-	-	-	-	-	-	-	-	36.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	162	480.03	58	119.19	-	-	-	-	-	-	-	-	599.22
			9%-9.5%	130	308.65	89	156.94	14	19.69	-	-	-	-	-	-	485.28
			9.5%-10%	13	7.27	12	5.00	12	5.00	-	-	-	-	-	-	17.27
			10% - 10.5%	52	87.02	23	43.18	-	-	-	-	-	-	-	-	130.20
			10.5% - 11%	62	67.58	3	3.57	-	-	-	-	-	-	-	-	71.15
			11% - 11.5%	52	74.62	19	30.33	-	-	-	-	-	-	-	-	104.95
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	24	410.87	14	368.78	-	-	-	-	-	-	-	-	779.65
			9%-9.5%	22	11.00	24	12.51	17	10.33	-	-	-	-	-	-	33.84
			9.5%-10%	16	11.49	-	-	-	-	-	-	-	-	-	-	11.49
			10%-10.5%	66	49.57	48	42.27	11	10.80	-	-	-	-	-	-	102.64
			10.5% - 11%	36	20.42	11	9.57	-	-	-	-	-	-	-	-	29.99
			11% - 11.5%	19	6.17	-	-	-	-	-	-	-	-	-	-	6.17
			11.5% - 12%	24	56.52	14	34.36	-	-	-	-	-	-	-	-	90.88
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
			9.5% - 10%	4	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10% - 10.5%	2	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10.5% - 11%	3	28.57	-	-	-	-	-	-	-	-	-	-	28.57
		Above 3 years	10.5% - 11%	1	0.83	-	-	-	-	-	-	-	-	-	-	0.83
	Half Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
			8.5% - 9%	2	60.00	-	-	-	-	-	-	-	-	-	-	60.00
			9.5% - 10%	2	80.00	-	-	-	-	-	-	-	-	-	-	80.00

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	25	142.82	2	16.00	-	-	-	-	-	-	-	-	158.82
			6.5% - 7%	2	20.00	-	-	-	-	-	-	-	-	-	-	20.00
			7% - 7.5%	11	9.82	-	-	-	-	-	-	-	-	-	-	9.82
			11.5% - 12%	2	2.48	-	-	-	-	-	-	-	-	-	-	2.48
		Above 3 years	6.5% - 7%	6	7.33	-	-	-	-	-	-	-	-	-	-	7.33
			12.5% - 13%	12	40.00	-	-	-	-	-	-	-	-	-	-	40.00
	Quaterly	Above 3 years	9% - 9.5%	4	28.00	4	28.00	4	28.00	4	8.00	4	8.00	-	-	100.00
			11.5% - 12%	4	15.00	4	12.25	4	2.50	3	1.50	-	-	-	-	31.25
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
			6.5% - 7%	2	50	1	25	-	-	-	-	-	-	-	-	74.99
		Above 3 years	10.5%-11%	14	20.60	8	12.30	-	-	-	-	-	-	-	-	32.90
			11% - 11.5%	1	1	-	-	-	-	-	-	-	-	-	-	0.63
			11.5%-12%	18	305.20	18	331.90	16	409.15	6	180.00	-	-	-	-	1,226.25
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-		-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-		-	33.48
			9.5%-10%	23	22.22	14	13.82	2	3.34	-	-	-	-		-	39.38
			10% - 10.5%	80	150.61	46	65.93	-	-	-	-	-	-	-	-	216.54
			10.5% - 11%	12	13.19	3	4.21	-	-	-	-	-	-	-	-	17.40
			11% - 11.5%	20	10.23	-	-	-	-	-	-	-	-	-	-	10.23
			11.5% - 12%	3	50.00	-	-	-	-	-	-	-	-	-	-	50.00
		Above 3 Years	9% - 9.5%	8	6.06	12	9.09	12	9.09	1.00	0.76	-	-	-	-	25.00
			10% - 10.5%	2	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			11% - 11.5%	2	0.71	-	-	-	-	-	-	-	-	-	-	0.71
	Quarterly	1-3 years	10% - 10.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	24.99
			11.5% - 12%	4	5.45	3	4.09	-	-	-	-	-	-	-	-	9.54
		Above 3 Years	11.5% - 12%	7	6.50	-	-	-	-	-	-	-	-	-	-	6.50
	Half Yearly	1-3 Years	10% - 10.5%	2	25.00	-	-	-	-	-	-	-	-	-	-	25.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**1,597.00**	**6,176.95**	**769**	**3,189.82**	**140**	**1,132.67**	**16**	**297.26**	**4.00**	**8.00**	**-**	**-**	**10,804.71**

Note: The above amount pertains to the principal outstanding only.

14 Borrowings other than debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Term loans (secured)			
Banks	10,740.33	8,697.44	6,256.24
Financials institutions	1,525.75	2,043.43	2,132.53
Non-banking financial companies	597.47	457.46	368.67
External commercial borrowings	1,473.77	93.74	225.51
Term loans (unsecured)			
External commercial borrowings	125.88	116.08	-
Non banking financial companies	-	16.70	171.56
Collateralised borrowings from Banks (Refer Note 33) (arising on account of securitisation)	98.80	-	9.17
Total	**14,562.00**	**11,424.85**	**9,163.68**
Borrowings in India	12,962.35	11,215.03	8,938.17
Borrowings outside India	1,599.65	209.82	225.51
Total	**14,562.00**	**11,424.85**	**9,163.68**

Note:

(1) The term loans are covered by unsecured microfinance loans to the extent of minimum 100% of outstanding. Further in respect of borrowings (including Debentures) drawn during quarter 4 of FY 2022-23 aggregating to ₹ 1,694.44 crore (Quarter 4 of Previous year ₹ 1,019.70 crore), the Company will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

(2) Term loans availed during the year were applied for the purposes for which the loans were obtained, other than temporary deployment pending application.

14.1 Delay in repayment

There were no delay in repayment of borrowings as at March 31, 2023, March 31, 2022 and March 31, 2021.

15 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Unsecured:			
Term Loan	25.26	25.57	50.26
Debentures	52.65	52.17	52.44
Total	**77.91**	**77.74**	**102.70**
Subordinated Liabilities in India	77.91	77.74	102.70
Subordinated Liabilities outside India	-	-	-
Total	**77.91**	**77.74**	**102.70**

16 Other financial liabilities

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Lease liabilities	78.51	85.00	75.34
Others	0.39	2.44	7.60
Total	**78.90**	**87.44**	**82.94**

17 Provisions

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Provision for employee benefits:			
Gratuity	10.56	8.50	7.56
Leave encashment and availment	26.05	22.74	17.97
Total	**36.61**	**31.24**	**25.53**

18 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Statutory dues payable (Tax deducted at source, GST, etc)	19.09	13.51	11.37
Total	**19.09**	**13.51**	**11.37**

19 Equity share capital ₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Authorised			
Equity shares of ₹ 10 each	160.00	160.00	160.00
16,00,00,000 (March 31, 2022 and March 31, 2021 : 16,00,00,000) Equity shares (refer note: g below)	**160.00**	**160.00**	**160.00**
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Issued, subscibed and fully paid up			
158,906,443 (March 31, 2022 and March 31, 2021: 155,866,346 and 155,582,040) Equity shares of ₹ 10 each fully paid	158.91	155.87	155.58

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2023		March 31, 2022	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	15,58,66,346	155.87	15,55,82,040	155.58
Add: Issued during the year				
- On account of Qualified Institutional Placement	-	-	-	-
- On account of scheme of merger (refer Note 45) **	26,75,351	2.68	-	-
- Employee Stock Option Plan	3,64,746	0.36	2,84,306	0.29
Outstanding at the end of the year	**15,89,06,443**	**158.91**	**15,58,66,346**	**155.87**

** The Company alloted 2,675,351 equity shares on dated March 27, 2023 and it was pending for listing as on March 31, 2023.

(b) Terms/Rights attached to equity shares
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2023		March 31, 2022		March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid						
CreditAccess India BV (Formerly known as "CreditAccess India NV")	11,51,09,028	72.44%	11,51,09,028	73.85%	11,51,09,028	73.99%
Nippon Life India Trustee Limited	57,76,212	3.63%	87,21,856	5.60%	61,05,884	3.92%

(d) Details of Promoters shareholdering

Particulars	No. of Shares	%of total shares	% Change during the year
		March 31, 2023	
1) CreditAccess India BV (Formerly known as "CreditAccess India NV")	11,51,09,028	72.44%	-1.41%
		March 31, 2022	
	11,51,09,028	73.85%	-0.13%
		March 31, 2021	
	11,51,09,028	73.99%	-5.95%

(e) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 38.

(f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-22 (No. of equity shares)	31-Mar-21 (No. of equity shares)	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	-	-	48,90,140
Equity shares alloted to CreditAccess India BV (Formerly known as "CreditAccess India NV") in lieu of conversion of compulsorily convertible debentures	-	-	-	-	1,29,87,012
Total	**-**	**-**	**-**	**-**	**1,78,77,152**

(g) NCLT has issued order dated on February 07, 2023, approving amalgamation of Madura Micro Finance Limited (the "Transferor Company") with CreditAccess Grameen Limited (the "Transferee Company") effective from April 1, 2020. The Company has filed the Certified True Copy of the Order in the Form INC-28 with the Registrar of Companies ("ROC") Karnataka, on February 15, 2023 and upon approval such Form, the authorised share capital of ₹ 10 Crores of transferor Company shall stand transferred to transferee Company. (refer Note 45)

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

20 Other equity*

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	535.73	370.52	294.09
Capital reserve	49.95	49.95	49.95
Securities premium	2,478.59	2,268.12	2,263.13
Share options outstanding account	19.41	11.72	8.52
Retained earnings	1,855.10	1,194.73	917.55
Shares to be issued on account of merger (Refer Note 45)	-	205.83	206.38
Effective portion of Cash Flow Hedge	9.25	0.39	-
Fair valuation of loans through other comprehensive income	-	(90.22)	(3.94)
Total	**4,948.03**	**4,011.04**	**3,735.68**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2023, March 31, 2022.

Nature and purpose of reserve

20.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act,

20.2 Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, as per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka, the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

Statutory reserve has been created based on the standalone pre-amalgamation profits for the year ended March 31, 2022 and March 31, 2021 of CreditAccess Grameen Limited and Madura Micro Finance Limited.

20.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5 Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.

20.6 Shares to be issued (Refer Note 45)

The Company has received order of amalgamation of Madura Micro Finance Limited ("MMFL") with CreditAccess Grameen Limited, appointed date being April 1, 2020. The Scheme has been approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated October 12, 2022, and the Hon'ble National Company Law Tribunal, Bengaluru Bench, vide its order dated February 07, 2023. The Company has issued shares on March 27, 2023 as per swap ratio decided in scheme of amalgamation to Non controlling shareholders of MMFL.

20.7 Other comprehensive income

(i) Effective portion of Cash Flow Hedge

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

(ii) Fair valuation of loans through other comprehensive income (FVTOCI)

The Company has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

₹ in crore

20.8

Movement of other comprehensive income for the year	March 31, 2023	March 31, 2022
Opening balance	(89.83)	(3.94)
(+) Fair value change during the year	32.25	(486.65)
(+) Effective portion of Cash Flow Hedge	9.25	0.39
(-) Impairment allowance transferred to statement of profit and loss	57.58	400.37
Closing balance	**9.25**	**(89.83)**

20.9 The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year and previous years.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

21 Interest income

₹ in crore

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	556.50	2,720.90	3,277.40	1,914.94	618.04	**2,532.98**
Income from securitisation	-	0.06	0.06	-	0.56	**0.56**
Interest on deposits with banks and financial institutions	-	31.04	31.04	-	33.72	**33.72**
Income from government securities	-	18.62	18.62			
Total	**556.50**	**2,770.62**	**3,327.13**	**1,914.94**	**652.32**	**2,567.26**

22 Fees and commission income

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Service fees for management of assigned portfolio of loans	0.03	0.06
Service and administration charges	1.23	2.44
Distribution Income	18.25	10.72
Total	**19.51**	**13.22**

23 Net gain on fair value changes

₹ in crore ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On On trading portfolio (realised)		
- Investments	21.32	17.85
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI (Net)	(3.18)	69.99
Total	**18.14**	**87.84**

24 Other Income

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Miscellaneous income *	5.64	7.31
Total	**5.64**	**7.31**

* Includes advertisement income, Service and administration charges and other miscellaneous income.

25 Finance costs

₹ in crore

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on debt securities	-	135.61	135.61	-	163.04	163.04
Interest on borrowings other than debt securities	-	1,054.17	1,054.17	-	797.46	797.46
Interest on subordinated liabilities	-	11.30	11.30	-	13.67	13.67
On financial liability towards securitisation (re-recognised on balance sheet)	-	0.02	0.02	-	0.16	0.16
Other interest expense						
-Interest on lease liabilities	-	8.79	8.79	-	8.08	8.08
-Others	-	2.99	2.99	-	1.73	1.73
Total Finance costs	**-**	**1,212.88**	**1,212.88**	**-**	**984.14**	**984.14**

26 Impairment on financial instruments

₹ in crore

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Group lending loans	57.58	328.24	**385.82**	400.37	171.78	**572.15**
Individual loans	-	15.20	**15.20**	-	24.59	**24.59**
Impairment of Investment in Subsidary	-	(1.49)	**(1.49)**	-	-	**-**
Loss on Investment	-	1.49	**1.49**	-	-	**-**
Impairment of Advance to Subsidiary	-	-	**-**	-	(2.36)	**(2.36)**
Advance to Subsidiary Written off	-	-	**-**	-	2.36	**2.36**
Total	**57.58**	**343.44**	**401.02**	**400.37**	**196.37**	**596.74**

27 Employee benefit expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Salaries and wages	453.37	388.18
Contribution to provident and other funds	46.24	40.24
Share based payments to employees	10.65	5.45
Staff welfare expenses	4.98	3.75
Total	**515.24**	**437.62**

28 Depreciation and amortization expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
-On property, plant and equipment	13.38	12.41
-On intangible assets	22.87	22.14
-On right of use assets	13.59	12.68
Total	**49.84**	**47.23**

29 Other expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Rental charges payable under operating leases (Refer Note 36)	29.89	23.29
Bank charges	3.24	3.28
Rates and taxes	11.82	9.86
Insurance	5.94	3.59
Repairs and maintenance	19.46	18.40
Electricity	5.43	4.23
Travelling and conveyance	100.20	74.90
Postage and telecommunication	15.04	9.79
Printing and stationery	6.15	6.20
Professional and consultancy charges	23.15	17.20
Remuneration to directors	2.10	1.36
Auditor's remuneration (Refer Note below)	2.73	1.64
Training expenses	12.17	6.86
Corporate Social Responsibility expenses (Refer Note below)	8.40	9.72
NCD Issue expenses	2.99	-
Provision for other assets and written off	0.31	1.63
Miscellaneous expenses **	15.57	8.62
Total	**264.59**	**200.57**

Auditor's remuneration ₹ in crore

Particulars	For the year ended	
	March 31, 2023 #	March 31, 2022
As auditor		
Audit fee (including Limited review)	1.72	1.46
Others	0.19	0.02
In other capacity		
Certification services	0.22	0.15
For taxation matters	0.50	-
Reimbursement of expenses	0.10	0.01
Total	**2.73**	**1.64**

Excludes payment amounting to ₹ 1.03 crore for services in relation to issuance of Public Non-convertible debentures, which has been included in NCD Issue expenses.

Details of CSR expenditure ₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Company during the year	8.32	9.69
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	8.40	6.64
c) Shortfall/ (excess) at the end of the year, *	(0.08)	3.05
d) Total of previous years shortfall	-	-

* Previous year unspent balance of ₹3.05 Crores has been fully spent during the current year.

Note:

1. In Previous year, the Company has deposited the unspent amount in relation to the CSR expenditure in dedicated bank account.

2. Reason for shortfall in previous year, are as below

a) Few of the projects like the Vaccination Drives, Support to physically/mentally challenged children and the self-learning center had commenced in the last quarter of the previous year and the period of the project extended to the next Financial year with committed payments to be made during this Financial year.

b) Two ongoing projects namely Anganawadi Improvement Program and Rural development program had execution challenges due to the covid situations in certain geographies. Hence, even though the institutions were identified, and events planned, the execution got delayed and some of the event dates had extended to this Financial year.

3. Contribution of ₹ 11.45 crore made to CreditAccess India Foundation (Section 8 Company which is subsidary of the Company).

4. The Company has a Memorandum of Understanding with CreditAccess India Foundation for CSR Activities (COVID-19 pandemic support program, Community Development activity like education, health Care, livelihood and other support activity).

5. Gross amount required to be spent was computed based on standalone entities' profit before giving effect of the merger.

** During the previous year, the Company has reversed additional provision carried over and above requirements as per Section 135 of Companies Act, 2013 to the extent of ₹ 4.96 Crore.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

30 Income tax ₹ in crore

(A)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Current tax		
(i) Current year	238.64	118.12
(ii) Earlier year	(0.41)	2.16
Deferred tax		
(i) Current year	44.85	8.99
(ii) Earlier year	(3.72)	(1.55)
Total tax charge	**279.36**	**127.72**

(B) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Profit before tax	1,105.39	480.80
At India's statutory income tax rate of 25.17% (2022: 25.17%)	278.23	121.02
Non deductible expenses		
Interest	0.30	0.09
CSR and Donation	2.14	1.19
Employee stock option cost	-	1.37
80JJAA of Income Tax Act, 1961	(0.78)	-
Others (net)	(0.53)	4.05
Income tax expense reported in statement of profit and loss	**279.36**	**127.72**

(C) Movement in deferred tax balances for the year ended March 31, 2023

₹ in crore

Particulars	Net balance April 1, 2022	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2023	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	(5.08)	(0.18)	-	-	(5.26)	-	(5.26)
Remeasurement gain / (loss) on defined benefit plan	6.69	(0.13)	-	-	6.56	6.56	-
Impairment allowance for loans	126.47	(45.77)	-	-	80.70	80.70	-
Expenses incurred on Initial Public Offering	1.45	(1.16)	-	-	0.29	0.29	-
Receivable from assignment of portfolio	(19.80)	(6.49)	-	-	(26.29)	-	(26.29)
Other items	44.75	12.74	(2.98)	(30.34)	24.17	24.17	-
Additions on account of Merger	0.90	(0.14)	-	-	0.76	0.76	-
Net Deferred tax assets / (liabilities)	**155.39**	**(41.13)**	**(2.98)**	**(30.34)**	**80.93**	**112.48**	**(31.55)**

(D) Movement in deferred tax balances for the year ended March 31, 2022

₹ in crore

Particulars	Net balance April 1, 2021	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2022	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	(2.50)	(2.58)	-	-	(5.08)	-	(5.08)
Remeasurement gain / (loss) on defined benefit plan	5.41	1.39	(0.11)	-	6.69	6.69	-
Impairment allowance for loans	148.51	(22.04)	-	-	126.47	126.47	-
Expenses incurred on Initial Public Offering	2.91	(1.46)	-	-	1.45	1.45	-
Receivable from assignment of portfolio	(26.55)	6.75	-		(19.80)	-	(19.80)
Other items	5.63	10.88	28.24	-	44.75	44.75	-
Additions on account of Merger	1.29	(0.38)	-	-	0.90	0.90	-
Net Deferred tax assets / (liabilities)	**134.70**	**(7.44)**	**28.13**	**-**	**155.39**	**180.27**	**(24.88)**

(E) The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets (net)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Income tax assets	557.83	492.93	526.77
Less: Income tax liabilities	518.27	454.46	488.71
Total	**39.56**	**38.47**	**38.06**

Current tax liabilities (net)

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Income tax liabilities	238.48	185.65	76.39
Less: Income tax assets	237.92	184.19	75.40
Total	**0.56**	**1.46**	**0.99**

31 Employee benefits (Continued)

A. Defined benefit plan

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The Company have funded gratuity plan and makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity Fund.

B. Defined contribution plan

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Company are administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Company recognised ₹ 30.64 crore (March 31, 2022 : ₹ 26.65) for Provident fund contributions and ₹ 6.99 crore (March 31, 2022 : ₹ 6.09) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

31.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	**26.62**	**21.65**
Current service cost	6.76	6.00
Interest cost	1.52	1.39
Past service cost	-	-
Benefits settled	(2.28)	(1.70)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	0.57	2.46
- Changes in demographic assumptions	(0.34)	(0.02)
- Changes in financial assumptions	(0.80)	(3.16)
Obligation at the end of the year $	**32.05**	**26.62**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	**18.12**	**14.08**
Interest income on plan assets	1.37	1.09
Re-measurement- actuarial gain	(1.17)	(0.01)
Return on plan assets recognised in other comprehensive income	-	-
Contributions	4.86	4.20
Benefits settled	(1.69)	(1.24)
Plan assets at the end of the year, at fair value	**21.49**	**18.12**
Net defined benefit liability	**10.56**	**8.50**

$ Previous year balances also includes un-funded gratuity plan liability.

31.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Current service cost	6.76	6.00
Interest cost	0.15	0.30
Net gratuity cost	**6.91**	**6.30**

31.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	0.57	2.46
- Changes in demographic assumptions	(0.34)	(0.02)
- Changes in financial assumptions	(0.80)	(3.16)
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	1.17	0.01
Total Actuarial (gains) / losses included in OCI	**0.60**	**(0.71)**

31.4 Plan assets

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Funds managed by insurer for Funded Gratuity Plan	100%	100%	100%

31.5 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Discount rate	7.36%	5.60% - 6.96%	4.85% - 6.79%
Future salary growth	8.00%	8%-10%	10.00%
Attrition rate	25.41%	23.01% - 30.00%	22.85% - 30.00%
Normal retirement age	60 years	60 years	60 years
Average term of liabilty (in years)	5.98 years	4.00 - 6.57 years	4.00 - 7.79 years

31.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crore

Particulars	March 31, 2023		March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.00)	2.30	(1.44)	1.98	(1.32)	1.86
Future salary growth (1% movement)	1.94	(1.74)	1.72	(1.26)	1.61	(1.16)
Attrition rate (1% movement)	(0.28)	0.31	(0.27)	1.51	(0.16)	1.93
Mortality Rate (- / + 10% of mortality rates)	-	-	-	-	-	-

31.7 Expected contribution to the plan for the next annual reporting period is ₹ 10.53 crore (March 31, 2022 - ₹ 7.55).

The weighted average duration of the defined benefit obligation of Company is 5.98 years (for planned assets) [March 31, 2022- 6.57 years (for planned assets) and 4 years (for unplanned Liability)]. The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2023								
Gratuity	4.23	3.53	2.88	2.47	2.13	7.00	44.12	66.36
Total	**4.23**	**3.53**	**2.88**	**2.47**	**2.13**	**7.00**	**44.12**	**66.36**
31 March, 2022								
Gratuity	3.62	2.87	2.49	2.05	1.72	5.33	31.49	49.57
Total	**3.62**	**2.87**	**2.49**	**2.05**	**1.72**	**5.33**	**31.49**	**49.57**
31 March, 2021								
Gratuity	2.90	2.17	1.87	1.66	1.36	4.46	29.17	43.59
Total	**2.90**	**2.17**	**1.87**	**1.66**	**1.36**	**4.46**	**29.17**	**43.59**

31.8 Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy
The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Code on Social Security
The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

32 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2023

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,341.40	-	**1,341.40**
(b)	Bank balance other than cash and cash equivalents	57.27	37.74	**95.01**
(c)	Loans	11,021.93	8,021.41	**19,043.34**
(d)	Investments	453.98	0.55	**454.53**
(e)	Derivative financial instrument	31.63	-	**31.63**
(f)	Other financial assets	120.99	28.60	**149.59**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	39.56	**39.56**
(b)	Deferred tax assets (net)	-	80.93	**80.93**
(c)	Property, plant and equipment	-	32.06	**32.06**
(d)	Right of use assets	-	64.75	**64.75**
(e)	Goodwill	-	375.68	**375.68**
(f)	Intangible assets	-	126.52	**126.52**
(g)	Intangible assets under development	-	3.94	**3.94**
(h)	Other non-financial assets	18.63	0.49	**19.12**
	Total assets	**13,045.83**	**8,812.23**	**21,858.06**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	0.10	-	**0.10**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	43.95	-	**43.95**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	259.50	0.15	**259.65**
(b)	Borrowings *			
	- Debt securities	646.27	1,026.08	**1,672.35**
	- Borrowings (other than debt securities)	7,313.29	7,248.71	**14,562.00**
	- Subordinated liabilities	0.04	77.87	**77.91**
(c)	Other financial liabilities	11.95	66.95	**78.90**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	0.56	-	**0.56**
(b)	Provisions	18.56	18.05	**36.61**
(c)	Other non-financial liabilities	19.09	-	**19.09**
	Total liabilities	**8,313.31**	**8,437.81**	**16,751.12**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

(B) Maturity analysis of assets and liabilities as at March 31, 2022

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,580.51	-	**1,580.51**
(b)	Bank balance other than cash and cash equivalents	170.24	10.60	**180.84**
(c)	Loans	8,827.43	5,937.90	**14,765.33**
(d)	Investments	-	0.55	**0.55**
(e)	Other financial assets	98.93	19.55	**118.48**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	38.47	**38.47**
(b)	Deferred tax assets (net)	-	155.39	**155.39**
(c)	Property, plant and equipment	-	31.78	**31.78**
(d)	Right of use assets	0.15	74.61	**74.76**
(e)	Goodwill	-	375.68	**375.68**
(f)	Intangible assets	-	146.65	**146.65**
(g)	Intangible assets under development	-	3.07	**3.07**
(h)	Other non-financial assets	10.01	0.20	**10.21**
	Total assets	**10,687.27**	**6,794.45**	**17,481.72**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	1.66	-	**1.66**
(b)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	34.78	-	**34.78**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	223.90	0.13	**224.03**
(c)	Borrowings *			
	- Debt securities	579.02	839.08	**1,418.10**
	- Borrowings (other than debt securities)	6,539.27	4,885.58	**11,424.85**
	- Subordinated liabilities	-	77.74	**77.74**
(d)	Other financial liabilities	13.98	73.46	**87.44**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	1.46	-	**1.46**
(b)	Provisions	13.05	18.19	**31.24**
(c)	Other non-financial liabilities	13.45	0.06	**13.51**
	Total liabilities	**7,420.57**	**5,894.24**	**13,314.81**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders

(C) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	2,360.04	-	**2,360.04**
(b)	Bank balance other than cash and cash equivalents	46.17	78.12	**124.29**
(d)	Loans	7,466.68	4,253.80	**11,720.48**
(e)	Investments	-	0.54	**0.54**
(f)	Other financial assets	106.88	25.43	**132.31**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	38.06	**38.06**
(b)	Deferred tax assets (net)	-	134.70	**134.70**
(c)	Property, plant and equipment	-	24.15	**24.15**
(d)	Right of use assets	-	67.50	**67.50**
(e)	Goodwill	-	375.68	**375.68**
(f)	Intangible assets	-	163.54	**163.54**
(g)	Intangible assets under development	-	0.62	**0.62**
(h)	Other non-financial assets	12.07	1.14	**13.21**
	Total assets	**9,991.84**	**5,163.28**	**15,155.12**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	22.05	-	**22.05**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	179.65	-	**179.65**
(b)	Borrowings *			
	- Debt securities	525.63	1,149.32	**1,674.95**
	- Borrowings (other than debt securities)	5,660.80	3,502.88	**9,163.68**
	- Subordinated liabilities	27.79	74.91	**102.70**
(c)	Other financial liabilities	15.99	66.95	**82.94**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	-	0.99	**0.99**
(b)	Provisions	10.04	15.49	**25.53**
(c)	Other non-financial liabilities	11.31	0.06	**11.37**
	Total liabilities	**6,453.26**	**4,810.60**	**11,263.86**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

33 Transfer of financial assets

a) *Transferred financial assets that are not derecognised in their entirety.*

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

₹ in crore

Particulars	March 31,2023	March 31,2022	March 31,2021
Securitisations			
Carrying amount of transferred assets measured at amortised cost	103.56	-	15.89
Carrying amount of associated liabilities (debt securities - measured at amortised cost) (Refer Note 14)	(98.80)	-	(9.15)
Fair value of transferred assets	103.56	-	15.89
Fair value of associated liabilities	(98.80)	-	(9.15)
Net position at amortised cost	4.76	-	6.74

b) *Transferred financial assets that are derecognised in their entirety.*

The Company has assigned loans (earlier measured at FVTOCI/amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost (Previous year it was measured at fair value through OCI) on derecognition during the year:

₹ in crore

Particulars	March 31,2023	March 31,2022	March 31,2021
Direct assignments			
Carrying amount of derecognised financial assets	1,721.56	1,120.30	1,329.36
Gain from derecognition	122.89	75.69	109.82

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

The Company has not transferred any assets that are derecognised during the year in their entirety where the Company continues to have continuing involvement.

34 Contingent liabilities

Contingent liabilities not provided for in respect of the below:

₹ in crore

(a)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Performance security provided by the Company pursuant to service provider agreement	-	0.10	0.11
Demand under Employee Provident Fund Act, 1952	0.25	0.25	0.25

(b) Pertaining to Assessment Year 2017-18 (Financial year 2016-17)

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.2.62 crores (net demand after adjusting of payment made is ₹ 1.16 crore) from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Company is of view that the said demand is not tenable and expects to succeed in its appeal.

(c) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company financial position and result of operations.

35 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
For purchase / development of computer software	2.22	3.91	0.87

36 Leases

36.1 Company as a leasee

The Company's leased assets mainly comprise office buildings and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property and server leases ranges from 1-10 years. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

36.2 Total lease liabilities are analysed as follows:

₹ in crore

Lease liabilities	March 31, 2023	March 31, 2022	March 31, 2021
Current	11.71	11.29	8.72
Non-current	66.80	73.71	66.62
Total	**78.51**	**85.00**	**75.34**

36.3 Amounts recognised in the statement of profit and loss

₹ in crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Depreciation charge of right-of-use assets			
Buildings	4.35	4.78	4.43
Servers	9.24	7.90	7.83
	13.59	**12.68**	**12.26**
Expense relating to variable lease payments			
Expense relating to short-term leases (included in other expenses)	29.89	23.28	19.28
Interest on lease liabilities (included in finance costs)	8.79	8.08	6.56

₹ in crore

36.4

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total cash outflow for leases	48.77	41.57	34.21
Total commitments for short-term leases	14.56	10.48	7.77

36.5 The Company had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2023	March 31, 2022	March 31, 2021
Computers	2.26	-	7.59

36.6 The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crore

Maturity analysis:	March 31, 2023	March 31, 2022	March 31, 2021
Less than 1 year	18.74	19.29	16.08
Between 1 and 2 years	18.55	17.72	15.02
Between 2 and 5 years	52.64	49.89	41.00
More than 5 years	14.37	31.19	37.87
Total	**104.30**	**118.09**	**109.97**

36.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Balance as at beginning of the year	**85.00**	**75.34**
Additions in the scheme of Merger	-	-
Additions during the period	4.96	19.94
Finance cost incurred during the period	8.79	8.08
Termination of lease during the period	(0.93)	-
Payment of lease liabilities	(19.31)	(18.36)
Balance as of closing of the year	**78.51**	**85.00**

Note: Refer Note 10(A) for movement in right of use of assets.

37 Related party transactions

Names of the related parties ***(as per IndAS – 24)***

Holding Company	CreditAccess India BV (Formerly known as "CreditAccess India NV")
Subsidary Company	CreditAccess India Foundation
Subsidiary Company (Upto October 30, 2022) #	Madura Micro Education Private Limited ('MMEPL')
Fellow Subsidiary Company	CreditAccess Life Insurance Limited ('CALIL')
Managing Director & CEO (KMP)	Mr. Udaya Kumar Hebbar
Chairman & Lead Independent Director (Chairman from August 11, 2021)	Mr. George Joseph
Chairman & Nominee Director (Upto July 30, 2021), Non-Executive Director in MMFL (upto August 03, 2021) and Non-Executive Director & Vice-Chairman (w.e.f October 21, 2022)	Mr. Paolo Brichetti
Non-Executive Director of MMFL*	Mr. Diwakar B R
Independent Director (w.e.f October 21, 2022)	Ms. Rekha Gopal Warriar
Independent Director (upto November 03, 2020)	Mr. R Prabha
Independent Director (upto September 10, 2022)	Ms. Sucharita Mukherjee
Independent Director (upto June 25, 2020)	Mr. Anal Kumar Jain
Independent Director	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Independent Director (w.e.f. September 16, 2020)	Ms. Lilian Jessie Paul
Key Managerial Personnel (w.e.f. July 01, 2021)	Mr. Ganesh Narayanan, Deputy CEO
Key Managerial Personnel (w.e.f. November 7, 2020)	Mr. Sadananda Balakrishna Kamath, Chief Financial Officer
Key Managerial Personnel	Mr. M J Mahadev Prakash, Company Secretary and Chief Compliance officer
Non-Executive Director of MMFL* (Whole time Director- upto March 31, 2021 and Non-Executive Director - w.e.f April 1, 2021)	Mr. F. S. Mohan Eddy
Independent Director of MMFL*	Mr. N. C. Sarabeswaran
Key Managerial Personnel of MMFL* (w.e.f. Feburay 21, 2021)	Mr. Ganesh Hegde, Company Secretary
Non-Executive Director of MMFL* (Managing Director- up to February 21, 2021 and Non-Executive Director- w.e.f. February 22, 2021.	Ms. Tara Thiagarajan
CEO & CFO-Key Managerial Personnel of MMFL* (CEO- up to February 21, 2021 and CEO & CFO- w.e.f. February 22, 2021.	Mr. M. Narayanan

* Pertaining to Madura Micro Finance Limited ("MMFL") which is merged with Company pursuant to NCLT order Dated February 07, 2023 (Refer Note 45)

MMEPL does not have any operations or business activity post March 31 , 2021 . This subsidiary company has been struck-off by the Offlce of the Registrar of Companies, Tamil Nadu vide its Public Notice No.ROC/Chn/S.248 (2)/ 3031202215 dated October 31, 2022, as per the application filed by MMEPL.

₹ in crore

Particulars	**Key management personnel**	
	March 31, 2023	**March 31, 2022**
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	3.43	2.85
Employee Stock Options exercised	1.04	0.59
Mr. Sadananda Balakrishna Kamath		
Salary and perquisites	1.28	1.10
Employee Stock Options exercised	0.21	0.15
Mr. M J Mahadev Prakash		
Salary and perquisites	0.67	0.58
Employee Stock Options exercised	0.04	-
Mr. Ganesh Narayanan		
Salary and perquisites	1.83	1.27
Employee Stock Options exercised	0.79	-
Mr. M Narayanan (Refer footnote Note 1)		
Salary and perquisites	1.40	1.35
Employee Stock Options exercised	-	-
Mr. Ganesh Hegde		
Salary and perquisites	0.11	0.11
Employee Stock Options exercised	-	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above. Salary and perquisites is excluding ESOP benefits expenses.

Note 1: On account of merger (Refer note 45) 15,00,508 and 6,24,362 number of equity shares of the Company have been issued to Ms. Tara Thiagarajan and Mr. M Narayanan on March 27, 2023 against the equity shares held in Madura Micro Finance Limited as per the swap ratio mentioned in scheme of merger.

37 Related party transactions

Related party transactions (Continued)

₹ in crore

Sitting fees	March 31, 2023	March 31, 2022
Mr. Paolo Brichetti	0.04	0.01
Mr. Sumit Kumar	0.13	0.04
Mr. Massimo Vita	0.15	0.06
Ms. Sucharita Mukherjee	0.01	0.05
Mr. George Joseph	0.22	0.18
Mr. Manoj Kumar	0.14	0.14
Ms. Lilian Jessie Paul	0.05	0.06
Mr. N C Sarabeswaran	0.03	0.07
Ms. Rekha Gopal Warriar	0.04	-
Mr. Diwakar B R	0.01	-
Ms. Tara Thiagarajan	0.01	0.03
Mr. F S Mohan Eddy	0.02	0.04

₹ in crore

Commission #	Other related parties	
	March 31, 2023	March 31, 2022
Mr. R Prabha	-	0.01
Mr. Anal Kumar Jain	-	(0.04)
Ms. Lilian Jessie Paul	0.23	0.14
Ms. Sucharita Mukherjee	0.24	0.12
Mr. George Joseph	0.38	0.17
Ms. Rekha Gopal Warriar	0.12	-
Mr. Manoj Kumar	0.30	0.17

on accrual basis.

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Transactions during the year		
Madura Micro Education Private Limited ('MMEPL')		
(i) Written off Equity Investment	1.49	-
(ii) Reversal of Provision of Equity Investment	(1.49)	-
(iii) Written off Advance given	-	2.36
(iv) Reversal of Provision of advances given	-	(2.36)
CreditAccess India Foundation		
(i) Grant paid for CSR expenses and donation	11.51	2.70
(ii) Rent received	0.01	0.01
(iii) Transaction in the nature of reimbursement		
(a) Reimbursement expenses	0.03	0.02

₹ in crore

Sitting fees payable	Other related parties		
	March 31, 2023	March 31, 2022	March 31, 2021
Mr. Paolo Brichetti	-	-	0.02
Mr. Massimo Vita	-	0.01	0.02
Mr. Sumit Kumar	-	-	0.01

₹ in crore

Commission payable	Other related parties		
	March 31, 2023	March 31, 2022	March 31, 2021
Mr. R Prabha	-	-	0.07
Mr. Anal Kumar Jain	-	-	0.06
Ms. Lilian Jessie Paul	0.15	0.08	-
Ms. Sucharita Mukherjee	0.16	0.10	0.06
Mr. George Joseph	0.25	0.12	0.07
Ms. Rekha Gopal Warriar	0.12	-	-
Mr. Manoj Kumar	0.20	0.10	0.03

₹ in crore

	Subsidiary Company		
License and other service charges receivables	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
CreditAccess India Foundation (net)	-	0.02	-
Other balances	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Investment in MMEPL	-	1.49	1.49
Advances give to MMEPL	-	-	2.36

38 Employee stock options

Stock options: The Company has provided share based payments to its employees under the 'CAGL Employees Stock Option Plan – 2011' (upto July 8, 2020 name was 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'). The various Tranches I, II, III, IV, V , VI, VII, VIII and IX represent different grants made under the plan. During year ended March 31, 2023, the following stock option grants were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII	Tranche IX
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018	Jan 1,2021	Jan 1,2022	Jan 1,2023
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jan 29, 2021	Mar 23, 2022	Mar 23, 2023
Number of Options granted	7,16,676	6,31,339	4,43,000	4,31,000	5,21,000	9,71,000	3,75,900	10,29,300	7,68,600
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:									
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from date of vesting		
Vesting conditions	Employee to be in service at the time of vesting								
Weighted average remaining contractual life (years)									
-I	-	-	-	-	-	-	1.76	2.76	3.76
-II	-	-	-	-	-	0.75	2.76	3.76	4.76
-III	-	-	-	0.25	0.76	1.76	3.76	4.76	5.76
-IV	-	-	-	1.25	1.76	2.76	4.76	5.76	6.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91	595.68	902.60
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	224.32	167.40	265.13

Additional disclosures for Tranche IX - granted during the current year and Tranche VIII - in previous year:

Particulars	Tranche IX	Tranche VIII	Tranche VII
Share price on the date of Grant (in Rs.)	915.30	597.30	768.85
Expected volatality (%)			
I	45.60%	44.44%	58.89%
II	47.21%	43.38%	52.16%
III	45.03%	51.03%	49.37%
IV	44.79%	49.42%	49.82%
Risk free interest rate (%)			
I	7.13%	5.10%	4.34%
II	7.29%	5.65%	4.99%
III	7.40%	6.12%	5.62%
IV	7.44%	6.46%	6.03%
Fair value per option (in Rs.)			
I	198.44	116.67	184.06
II	253.55	144.49	207.75
III	286.55	193.85	235.3
IV	321.99	214.58	270.19

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

38 Employee stock options

Employee stock options (Continued)

Reconciliation of options:

Particulars	March 31, 2023	March 31, 2022
Tranche I		
Options outstanding at the beginning of the year	-	-
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	-	4,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	1,500
Expired during the year	-	2,500
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche III		
Options outstanding at the beginning of the year	4,500	7,500
Granted during the year		-
Forfeited during the year		-
Exercised during the year	3,000	1,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	-	4,500
Exercisable at the end of the year	-	4,500
Tranche IV		
Options outstanding at the beginning of the year	1,56,750	1,83,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	99,500	26,500
Expired during the year	-	-
Outstanding at the end of the year	57,250	1,56,750
Exercisable at the end of the year	57,250	1,56,750
Tranche V		
Options outstanding at the beginning of the year	2,15,250	3,13,950
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	78,350	98,700
Expired during the year	5,000	-
Outstanding at the end of the year	1,31,900	2,15,250
Exercisable at the end of the year	1,31,900	2,15,250
Tranche VI		
Options outstanding at the beginning of the year	3,54,261	5,20,343
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,62,006	1,54,256
Expired during the year	9,646	11,826
Outstanding at the end of the year	1,82,609	3,54,261
Exercisable at the end of the year	1,82,609	3,54,261
Tranche VII		
Options outstanding at the beginning of the year	3,32,125	3,75,900
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	8,100	1,850
Expired during the year	17,950	41,925
Outstanding at the end of the year	3,06,075	3,32,125
Exercisable at the end of the year	1,49,225	82,150
Tranche VIII		
Options outstanding at the beginning of the year	10,29,300	-
Granted during the year	-	10,29,300
Forfeited during the year	-	-
Exercised during the year	13,790	-
Expired during the year	37,700	-
Outstanding at the end of the year	9,77,810	10,29,300
Exercisable at the end of the year	2,36,210	-
Tranche IX		
Options outstanding at the beginning of the year	-	-
Granted during the year	7,68,600	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	7,68,600	-
Exercisable at the end of the year	-	-

39 Revenue from contracts with customers

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
(A) Type of services		
Service fees for management of assigned portfolio of loans	0.03	0.06
Service and administration charges	1.23	2.44
Distribution Income	18.25	10.72
Advertisement display income	3.07	4.72
Total	**22.58**	**17.94**

(B) Geographical markets

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2022
India	22.58	17.94
Outside India	-	-
Total	**22.58**	**17.94**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Services transferred at a point in time	22.58	17.94
Services transferred over time	-	-
Total	**22.58**	**17.94**

(D) Receivables

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Distribution income	8.13	4.02

40 Financial instruments – fair values

Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crore

Financial assets (assets measured at fair value)	March 31, 2023			March 31, 2022			March 31, 2021		
	Fair value			Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	-	-	-	11,246.06	-	-	8,893.33
Investments	-	-	0.54	-	-	0.54	-	-	0.54
Derivative financial instruments	-	31.63	-	-	-	-	-	-	-
Total	**-**	**31.63**	**0.54**	**-**	**-**	**11,246.60**	**-**	**-**	**8,893.87**
Financial Liabilities									
Derivative financial instruments	-	-	-	-	1.66	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1.66**	**-**	**-**	**-**	**-**

Fair values of Loans designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the Company.

₹ in crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2023				March 31, 2022				March 31, 2021			
	Amortised cost	Fair value			Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	19,043.34	-	-	18,952.66	3,519.27	-	-	3,685.49	2,827.15	-	-	2,870.87
Investment (G-sec)	453.98	-	-	431.18	-	-	-	-	-	-	-	-
Total	**19,497.32**	**-**	**-**	**19,383.84**	**3,519.27**	**-**	**-**	**3,685.49**	**2,827.15**	**-**	**-**	**2,870.87**
Debt securities	1,672.35	-	-	1,694.06	1,418.10	-	-	1,437.35	1,674.95	-	-	1,710.68
Borrowings (other than debt securities)	14,562.00	-	-	14,617.50	11,424.85	-	-	11,489.41	9,163.68	-	-	9,229.93
Subordinated liabilities	77.91	-	-	83.11	77.74	-	-	84.82	102.70	-	-	113.61
Lease liabilities	78.51	-	-	79.22	85.00	-	-	89.12	75.34	-	-	75.72
Total	**16,390.77**	**-**	**-**	**16,473.89**	**13,005.69**	**-**	**-**	**13,100.70**	**11,016.67**	**-**	**-**	**11,129.94**

Note: The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets and payables are considered to be the same as their fair values, due to their short-term nature.

There were no transfers between Level 3 and Level 1 / Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Company.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial Statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Company.

Financial liabilities measured at amortised cost

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

41 Risk Management

41.1 Introduction and risk profile

CreditAccess Grameen Limited is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The major risks for the company are credit, operational, market, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

41.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the Company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Company. The Board reviews the status and progress of the risk and risk management system, on a quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO. While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management Level Risk Committee (MLRC) comprising of MD&CEO, CFO, CAO, Deputy CEO & CBO, CTO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

41.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

41.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.
Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.
As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.
All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC.
The Management Level Risk Committee meetings are held as necessary or once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

41.1.d Risk Management Strategies
Excessive risk concentrations
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:
• Low cost operations and low pricing for customers.
• Customer centric approach, high customer retention.
• Rural focus.
• Systematic customer awareness activities.
• High social focused activities.
• Adherence to client protection guidelines.
• Robust grievance redressal mechanism.
• Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
• District centric approach.
• District exposure cap.
• Restriction on growth in urban locations.
• Maximum disbursement cap per loan account.
• Maximum loan exposure cap per customer.
• Diversified funding resources.

Operational & HR Risk mitigation measures:
• Stringent customer enrolment process.
• Multiple products.
• Proper recruitment policy and appraisal system.
• Adequately trained field force.
• Weekly & fortnightly collections – higher customer touch, lower amount instalments.
• Multilevel monitoring framework.
• Strong, Independent and fully automated Internal Audit function.
• Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
• Diversified funding resources.
• Asset liability management.
• Effective fund management.
• Maximum cash holding cap.

Expansion risk mitigation measures:
• Contiguous growth.
• District centric approach.
• Rural focus.
• Branch selection based on census data & credit bureau data.
• Three level survey of the location selected.

Credit risk
Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Company. Credit risk is the core business risk of the Company. The Company therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Company is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Company has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the compnay follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in Company.
Credit risk is being managed by continuously monitoring the borrower’s performance if borrowers are paying on time based on their amortization dues. The Compnay ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each Compnay’s head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS tagging and KYC checks..

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

41.2 Impairment assessment
The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

41.2.a Definition of default, significant increase in credit risk and stage assessment
For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the Company.

Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Company granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

The accounts which were restructured under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage-2.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(i) Staging classification of Joint Liability Group (JLG) loans of Company
Unlike banks which have more of monthly repayments, the Company offers products with primarily weekly/biweekly repayment frequency, whereby 15 and above Days past due ('DPD') means minimum 2 missed instalments from the borrower, and accordingly, the Company has identified the following stage classification to be the most appropriate for such products :
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Self Help groups (SHG)
The Company has identified the following stage classification to be the most appropriate for its loans as these loans are mainly on monthly repayment basis:

Stage 1: 0 to 30 DPD.
Stage 2: 31 to 60 DPD (SICR).
Stage 3: Above 60 DPD (Default).

(iii) Staging classification of Individual Loans of the Company
For monthly repayment model, the Company has identified the following stage classification to be the most appropriate for these loans :
Stage 1: 0 to 30 DPD.
Stage 2: 31 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

41.2.b Probability of Default ('PD')
(i) Group lending (Including SHG)
PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of loan outstanding in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of loan outstanding in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% in line with accounting standard

(ii) Individual Loans
Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a method which is based on management judgement.

41.2.c Exposure at default (EAD)
Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

41.2 .d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Group lending loans (Including SHG)

LGD is computed as below:

The Company determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default (EAD) and discounted recovery amount ; this is expressed as percentage of EAD.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

41.2 .e Grouping financial assets measured on a collective basis

The Company believes that the Joint Group Lending loans (JLG) have shared risk characteristics (i.e. homogeneous) while SHG loans and Individual loans (IL) have risk characteristics different from JLG loans. Therefore, JLG, SHG and IL are treated as three separate groups for the purpose of determining impairment allowance.

41.2 .f The Company's Loan book consists of a large number of customers spread over diverse geographical area, hence the Company is not exposed to concentration risk with respect to any particular customer.

41.2 .g Analysis of inputs to the ECL model under multiple economic scenarios

ECL estimates are subject to adjustment based on the output of macroeconomic model which incorporates forward looking assessment of the economic environment under which the company operates in the form of Management overlay.

41.3 Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Capital management

The Company's objectives when managing capital are to

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, operational, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

41.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of the Company. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the Company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses.

Liquidity assessment as on March 31, 2023

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	611.49	633.88	704.10	2,303.14	3,945.00	7,199.74	686.31	-	**16,083.66**
Borrowings (other than debt securities)	135.06	79.47	61.56	221.04	264.46	905.73	289.82	-	**1,957.14**
Subordinated liabilities	6.42	6.86	8.18	24.26	53.96	97.25	12.94	-	**209.87**
Total	**752.97**	**720.21**	**773.84**	**2,548.44**	**4,263.42**	**8,202.72**	**989.07**	**-**	**18,250.67**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

Liquidity assessment as on March 31, 2022

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	145.26	39.04	88.52	166.71	213.09	929.32	-	-	**1,581.94**
Borrowings (other than debt securities)	609.87	575.76	597.91	2,168.79	3,285.20	5,082.17	171.98	-	**12,491.67**
Subordinated liabilities	1.66	1.72	2.54	5.99	19.45	105.16	69.00	166.98	**372.50**
Total	**756.79**	**616.52**	**688.98**	**2,341.49**	**3,517.75**	**6,116.65**	**240.98**	**166.98**	**14,446.11**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

41.5 Market Risk

41.5.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

41.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial condition. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for the Company.

In case of CAGL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans carried out. Only some of the liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2022-23	Effect on profit / loss and equity for the year 2021-22
Borrowings			
Increase in basis points	+ 25	(19.96)	(16.48)
Decrease in basis points	- 25	19.96	16.48

41.5.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
	USD	USD	USD
Liability – External Commercial Borrowings	19,50,00,000	1,50,00,000	-
Assets – Cross Currency Interest rate Swap Contract	19,50,00,000	1,50,00,000	-

41.5.4 Hedging Policy

The Company's Hedging Policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationship where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and qualitative assessment of effectiveness is performed.

In respect of Interest rate swaps, there is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

Impact of hedge on the balance sheet ₹ in crore

Particulars	Year	Notional amount	Carrying amount of hedging instrument assets	Carrying amount of hedging instrument Liability
INR USD CCIRS	March 31, 2021	-	-	-
INR USD CCIRS	March 31, 2022	111.75	-	1.66
INR USD CCIRS	March 31, 2023	1,575.32	31.63	-

42 Changes in liabilities arising from financing activities

₹ in crore

Particulars	As at March 31,2022	Cash flows (Net)	Changes in fair value	Exchange difference	Others	As at March 31, 2023
Debt securities	1,418.10	256.34	-	-	(2.09)	1,672.35
Borrowings (other than debt securities)	11,424.85	3,123.33	-	-	13.81	14,562.00
Subordinated liabilities	77.74	(0.44)	-	-	0.61	77.91
Lease liabilities	85.00	(18.89)	-	-	12.40	78.51
Total liabilities from financing activities	**13,005.69**	**3,360.34**	-	-	**24.73**	**16,390.77**

₹ in crore

Particulars	As at March 31,2021	Cash flows (Net)	Changes in fair value	Exchange difference	Others	As at March 31, 2022
Debt securities	1,674.95	(257.19)	-	-	0.34	1,418.10
Borrowings (other than debt securities)	9,163.68	2,264.41	-	-	(3.24)	11,424.85
Subordinated liabilities	102.70	(25.00)	-	-	0.04	77.74
Lease liabilities	75.34	(18.36)	-	-	28.02	85.00
Total liabilities from financing activities	**11,016.67**	**1,963.86**	-	-	**25.16**	**13,005.69**

43 Disclosures pursuant to the Master Direction- Non-Banking Financial Company-Systematically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time ('the Master Directions') issued by the RBI and Disclosures in Financial Statements- Notes to Accounts of NBFCs as per scale based regulation (RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23)

Comparatives are based on standalone financial statements of the year ended March 31, 2022 unless specified otherwise and are not comparable to current year number (Refer Note 45).

a. Capital to risk assets ratio ('CRAR'): ₹ in crore

Particulars	March 31, 2023	March 31, 2022
CRAR-Tier I Capital (%)	22.69%	25.87%
CRAR-Tier II Capital (%)	0.89%	0.67%
Amount of subordinated debt raised as Tier II capital *	77.91	-
Amount raised by issue of perpetual debt instruments	-	-

* outstanding as at March 31, 2023

b. Investments ₹ in crore

Particulars	March 31, 2023 $	March 31, 2022 #
1. Value of Investments		
(i) Gross value of investments		
(a) in India	454.53	663.49
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	454.53	663.49
(b) outside India	-	-
2. Movement of provision held towards depreciation		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provision	-	-
(iv) Closing balance	-	-

\# pertains to investment in Madura Micro Finance Limited (the "erstwhile Subsidiary") which is merged with Company during the current year.
$ Includes Investment in government securities.

c. Derivatives

(I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

₹ in crore

Particulars	March 31, 2023	March 31, 2022
(i) The notional principal of swap agreements	1575.32	111.75
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	31.63	(1.66)

(II) Exchange Traded Interest Rate (IR) Derivatives:

The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2023 (Previous year: NIL).

(III) Disclosures on Risk Exposure in Derivatives

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI.

Qualitative Disclosure for March 31, 2023 ₹ in crore

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional principal amount) for Hedeging	1,575.32	NIL
(ii) Market to Market position	-	-
(a) Asset (+)	37.45	-
(b) Liability (-)	(5.82)	-
(iii) Credit exposure	1,575.32	-
(iv) Unhedged exposure	NIL	-

Qualitative Disclosure for March 31, 2022 ₹ in crore

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional principal amount) for Hedeging	111.75	NIL
(ii) Market to Market position		
(a) Asset (+)	6.50	-
(b) Liability (-)	(8.16)	-
(iii) Credit exposure	111.75	-
(iv) Unhedged exposure	NIL	-

d. Disclosure related to securitization

₹ in crore

Particulars	March 31, 2023	March 31, 2022
No of SPVs sponsored by the NBFC for securitization transactions	1	-
Amount of securitized assets as per books of SPV sponsored by NBFC	103.56	-
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	-	-
a. Off-balance sheet exposure		
• First loss	-	-
• Others	-	-
b. On-balance sheet exposure		
• First loss – cash collateral	5.49	-
• Others	10.36	-
Amount of exposures other than MRR		
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
• First loss	-	-
• Loss	-	-
ii. Exposure to third party transactions		
• First loss	-	-
• Others	-	-
b. On-balance sheet exposure		
i. Exposure to own securitizations		
• Others	-	-
ii. Exposure to third party transactions		
• First loss	-	-
• Others	-	-

e. Details of financial assets sold to securitization / reconstruction company for asset reconstruction:

Particulars	March 31, 2023	March 31, 2022
Number of loans assigned	1	-
Aggregate value (net of provisions) of accounts sold to SC / RC	109.75	-
Aggregate consideration *	98.77	-
Aggregate gain over net book value #	-	-

this is not a transfer of assets as per Ind-AS, hence there is no upfront gain from securitization transaction.

f. Details of assignment transactions:

The Company has undertaken 9 assignment transactions during the current year (March 31, 2022: 5 transactions).

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Number of loans assigned	5,59,186	3,74,239
Aggregate value (net of provisions) of accounts sold	1,721.56	1,120.30
Aggregate consideration *	1,721.56	1,120.30
Aggregate gain over net book value	119.06	75.69

* this represents principal amount outstanding as at the date of transaction adjusted for any specific provisions.

g. Details of non-performing financial asset purchased / sold:

The Company has not purchased / sold any non-performing financial assets in the current and previous year.

h. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2023: ₹ in crore

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	70.12	78.90	538.24	612.21	670.39	2,236.35	3,753.40	7,447.28	905.37	-	**16,312.26**
-Other than foreign currency liability	70.12	78.90	538.24	612.21	667.53	2,236.35	3,753.40	7,358.06	871.57	-	**16,186.38**
- Foreign currency liability	-	-	-	-	2.86	-	-	89.22	33.80	-	**125.88**
Advances	208.10	207.64	476.64	1,025.69	1,051.20	2,858.26	5,194.40	7,932.29	73.49	15.63	**19,043.34**
Investments	-	-	-	-	-	98.27	355.71	-	-	0.55	**454.53**

Note:
1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
2. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

Maturity pattern of assets and liabilities as on March 31, 2022: ₹ in crore

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	36.27	116.98	364.12	387.87	482.07	1,742.75	2,526.72	4,680.17	148.11	-	**10,485.06**
-Other than foreign currency liability	36.27	116.98	364.12	387.87	482.07	1,742.75	2,523.35	4,635.86	79.72	-	**10,368.98**
- Foreign currency liability	-	-	-	-	-	-	3.37	44.32	68.40	-	**116.08**
Advances #	151.17	142.11	329.22	662.30	749.82	1,898.44	3,325.89	4,854.42	59.80	149.82	**12,322.98**
Investments	-	-	-	-	-	-	-	-	-	663.49	**663.49**

Note:
1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
2. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.
Includes subordinated debt given to MMFL of ₹ 149.58 crore with maturity period over 5 years.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

i. Details of Financing of Parent Company Products

The Company was not involved in the financing of Parent Company products.

j. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year.

k. Unsecured Advances

The Company has not given any Loans and advances against intangible securities during the year.

l. 'Registration obtained from other financial regulators:

Regulator - Insurance Regulator and Development Authority	Registration No.	Validity
Corporate Agents for :		
- HDFC Life Insurance Company Limited	CA0642	March 15, 2022 to March 14, 2025
- ICICI Prudential Life Insurance Company Limited		
- Kotak Mahindra Life Insurance Company Limited		
- Shriram Life Insurance Company Limited		
- Kotak General Insurance Company Ltd		
-ICICI Lombard General Insurance Company		

m. Disclosure of penalties imposed by RBI and other regulators:

(i) March 31, 2023

Applicable Regulation	Penalty Levied by	Reason	Date of Notice	Date of Payment	Fine Levied #
Regulation 57(4) of SEBI LODR, 2015	BSE	Non- submission of details of interest payment towards-INE741K07298	29-Sep-22	30-Sep-22	1,180
Regulation 18 of the SEBI (LODR) Regulations, 2015	BSE & NSE	Composition of the Audit Committee was not in accordance with the Regulation	21-Feb-23	24-Feb-23	3,39,840

penalty amount is including taxes.

(ii) March 31, 2022

Applicable Regulation	Penalty Levied by	Reason	Date of Notice	Date of Payment	Fine Levied #
Regulation 54 of SEBI LODR, 2015	BSE	Delayed submission of Security Cover details along with the financial result.	10-Dec-21	23-Jun-22	24,780

penalty amount is including taxes.

n. Ratings assigned by credit rating agencies and migration of ratings:

Particulars	Name of rating agency	Date of rating	Rating / Previous year rating	Borrowing limit / conditions imposed by rating agency (₹ in crores)	Valid up to
Long-term debt	CRISIL	23-Feb-23	CRISIL A+ Positive /CRISIL A+ Stable	2,000.00	23-Feb-24
Non-convertible debentures	CRISIL	23-Feb-23	CRISIL A+ Positive /CRISIL A+ Stable	25.00	23-Feb-24
Organization grading	CRISIL	16-Oct-22	M1C1/M1C1	NA	15-Oct-23
Long-term debt	ICRA	28-Mar-23	[ICRA]AA-(Stable) /[ICRA]A+(Stable)	5,580.00	28-Mar-24
Non-convertible debentures	ICRA	28-Mar-23	[ICRA]AA-(Stable) /[ICRA]A+(Stable)	766.17	28-Mar-24
Sub-ordinate Debt	ICRA	28-Mar-23	[ICRA]AA-(Stable) / NA	50.00	28-Mar-24
Commercial paper	ICRA	28-Mar-23	[ICRA]A1+ /[ICRA]A1+	500.00	28-Mar-24
PP-MLD	ICRA	28-Mar-23	PP-MLD[ICRA]AA+(CE)(Stable) /PP-MLD[ICRA]AA+(CE)(Stable)	150.00	28-Mar-24
Long-term debt	India Ratings and Research	08-Mar-23	Ind AA- Stable/ Ind A+ Stable	4,000.00	08-Mar-24
Non-convertible debentures	India Ratings and Research	08-Mar-23	Ind AA- Stable/ Ind A+ Stable	1,600.00	08-Mar-24
Principal Protected Market Linked Debenture	India Ratings and Research	08-Mar-23	IND PP-MLD AA- Stable /NA	60.00	08-Mar-24

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

o. Provisions and contingencies (shown under the head expenditure in statement of profit and loss):

₹ in crore

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Impairment of financial instruments	**401.02**	**449.44**
-Provision for Stage 1 & 2	592.78	484.68
-Provision for Stage 3	(191.76)	(35.24)
Provision for income tax	238.23	113.56
Provision for gratuity	6.91	5.19
Provision for leave encashment and availment	10.79	10.94
Provision fraud and misappropriation (net of recoveries)	0.03	0.04
Provision for other assets (net)	0.21	1.55
Total	**657.19**	**580.72**

p. Drawdown from reserves:
There has been no drawdown from reserves during the year ended March 31, 2023 (previous year: Nil).

q. Concentration of advances, exposures and NPAs

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Concentration of advances		
Total advances to twenty largest borrowers	3.16	1.06
(%) of advances to twenty largest borrowers to total advances	0.02%	0.01%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	3.16	1.06
(%) of exposures to twenty largest borrowers / customers to total exposure	0.02%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.11	0.12

r. Movement of NPAs *

₹ in crore

Particulars	March 31, 2023	March 31, 2022
(i) Net NPAs to Net Advances (%)	**0.35%**	**0.94%**
(ii) Movement of NPAs (Gross):		
Opening balance	**558.65**	**449.56**
Additions during the year	396.29	1,062.95
Reductions during the year	718.55	1,119.29
Closing balance	**236.39**	**393.22**
(iii) Movement of Net NPAs		
Opening balance	**197.36**	**135.98**
Additions during the year (net)	(90.73)	142.20
Reductions during the year	39.77	163.32
Closing balance	**66.86**	**114.86**
(iv) Movement of provisions for NPAs		
Opening balance	361.30	**313.59**
Provisions made during the year	487.02	920.74
Write-off / write-back of excess provisions	678.78	955.98
Closing balance	**169.54**	**278.36**

* Represents Stage-III loans

s. Overseas Assets
The Company does not have any subsidiary / Joint venture abroad.

t. Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)
The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms).

u. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2023 ₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	11	1.06	0.09	0.97

Instances of fraud reported during the year ended March 31, 2022: ₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	7	0.14	0.10	0.04

v. Public disclosure on Liquidity risk management

(i) Funding concentration based on significant Counterparty (both deposits and borrowings)

As at March 31, 2023

Number of significant counterparties	Amount (Rs. in Crore)	% of Total Deposits	% of Total Liabilities
24	13,415.86	NA	80.09%

As at March 31, 2022

Number of significant counterparties	Amount (Rs. in Crore)	% of Total Deposits	% of Total Liabilities
22	8,601.62	NA	79.24%

(ii) Top 20 large deposits (amount in Rs. Crore and % of total deposits)- Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-MFI) registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in Rs. Crore and % of total borrowings)

As at March 31, 2023

Amount (₹ in Crore)	% of Total Borrowings
9405.22	57.66%

As at March 31, 2022

Amount (₹ in Crore)	% of Total Borrowings
6781.45	64.68%

(iv) Funding concentration based on significant instrument / product* ₹ in Crore

Name of the instrument/ product	March 31, 2023	% of Total Liabilities	March 31, 2022	% of Total Liabilities
Term loans from Banks	10,740.33	64.12%	6,869.29	63.28%
Term Loans from Financial Institutions	1,525.75	9.11%	1,730.98	15.95%
Non Convertible Debentures	1,672.35	9.98%	1,372.81	12.65%
External commercial borrowings	1,599.65	9.55%	93.74	0.86%
Term Loans from Non banking Financial Companies	597.47	3.57%	302.24	2.78%

(v) Stock Ratios

As at March 31, 2023

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	2.85%	2.11%	1.62%

As at March 31, 2022

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	3.40%	2.58%	1.89%

(vi) Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub-committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

Chief Risk Officer shall be part of the process of identification, measurement and mitigation of liquidity risks.

The ALM support group consist of CFO and Head-Treasury who shall be responsible for analysing, monitoring and reporting the liquidity profile to the ALCO.

***Notes**

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.

5. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2023.

w. Asset classification as per IRAC norms

(i) As at March 31, 2023 ₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I *	19,111.28	157.27	18,954.02	147.81	9.46
	Stage II *	43.52	21.02	22.50	0.38	20.65
Subtotal		**19,154.80**	**178.29**	**18,976.51**	**148.19**	**30.10**
Non-Performing Assets (NPA)						
Substandard	**Stage III**	**236.39**	**169.55**	**66.84**	**79.46**	**90.08**
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**236.39**	**169.55**	**66.84**	**79.46**	**90.08**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage I**	**19,111.28**	**157.27**	**18,954.02**	**147.81**	**9.46**
	Stage II	**43.52**	**21.02**	**22.50**	**0.38**	**20.65**
	Stage III	**236.39**	**169.55**	**66.84**	**79.46**	**90.08**
	Total	**19,391.19**	**347.84**	**19,043.36**	**227.65**	**120.19**

Notes:
1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

(ii) As at March 31, 2022 ₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I *	11,920.16	84.19	11,835.97	44.96	39.23
	Stage II *	142.48	41.29	101.19	6.30	34.99
Subtotal		**12,062.64**	**125.48**	**11,937.16**	**51.26**	**74.21**
Non-Performing Assets (NPA)						
Substandard	**Stage III**	**393.22**	**278.36**	**114.86**	**104.29**	**174.07**
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**393.22**	**278.36**	**114.86**	**104.29**	**174.07**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage I**	**11,920.16**	**84.19**	**11,835.97**	**44.96**	**39.23**
	Stage II	**142.48**	**41.29**	**101.19**	**6.30**	**34.99**
	Stage III	**393.22**	**278.36**	**114.86**	**104.29**	**174.07**
	Total	**12,455.86**	**403.84**	**12,052.02**	**155.55**	**248.29**

Notes:
1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

x. Loans against the security of gold

i) The Company has disbursed loans against the security of gold during financial year 2022-23. However, no auctions were conducted.

ii) Percentage of Loans against the security of gold to total asset: ₹ in crore

Particulars	March 31, 2023	March 31, 2022
Gold Loans granted against collateral of gold jewellery (principal portion)	1.87	0.18
Total assets of the Company	21,858.06	14,795.10
Percentage of Gold Loans to Total Assets	0.01%	0.00%

y. Details of resolution plans implemented under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2022:

₹ in crore

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - Position as at the end of the previous half year i.e. September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-year ended March 31, 2023	Of (A) amount paid by the borrowers during the half year ended March 31, 2023 #	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. March 31, 2023
Personal Loans*	36.86	2.73	-	22.80	11.33
Corporate persons	-	-	-	-	-
Total	36.86	2.73	-	22.80	11.33

Note:
- In the above table, asset classification is reported as per Ind AS.
Amount paid by the borrower during the half year is net of additions in the exposure on account of interest accrual.
* Includes group loan (GL) and individual loan (IL).

z. Disclosure of resolution plans implemented during the year ended March 31, 2023 in terms of RBI's notification no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7 June 2019 is as follows:

Number of accounts where resolution plan has been implemented*	Exposure as at March 31, 2023 (₹ in crore)
6,003	12.16

* Includes group loan (GL) and individual loan (IL).

aa. Details of loans transferred / acquired during the year ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of transfer through Direct assignment in respect of loans not in default during the year March 31, 2023 and March 31, 2022:

Particulars	March 31, 2023	March 31, 2022
Number of Loans	5,59,186	3,74,239
Aggregate amount (₹ in crore)	1,940.92	1,260.69
Sale consideration (₹ in crore)	1,721.56	1,120.30
Number of transactions	9	5
Weighted average remaining maturity (in months)	16	16
Weighted average holding period after origination (in months)	8	8
Retention of beneficial economic interest	5% to 15%	6.81% to 15.00%
Coverage of tangible security Coverge	-	-
Rating wise distribution of rated loans	-	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-	-
Number of transferred loans replaced	-	-

(ii) The Company has not transferred any non-performing assets (NPAs).
(iii) The Company has not acquired any loans through assignment.
(iv) The Company has not acquired any stressed loan.

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

ab. Liquidity Coverage Ratio Disclosure

Institutional set-up for liquidity risk management
The RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

The disclosure on Liquidity Coverage Ratio of the Company for the year ended March 31, 2023 is as under:

₹ in crore

	Particulars	**Quarter March 31, 2023**		**Quarter December 31, 2022**		**Quarter September 30, 2022**		**Quarter June 30, 2022**	
		Total unweighted value (average) @	**Total weighted value (average) $**	**Total unweighted value (average) @**	**Total weighted value (average) $**	**Total unweighted value (average) @**	**Total weighted value (average) $**	**Total unweighted value (average) @**	**Total weighted value (average) $**
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	-	-	-	-	-	-	-	-
	Cash and bank balance	583.31	583.31	524.77	524.77	341.19	341.19	156.62	156.62
	Short term fixed deposit	-	-	-	-	-	-	-	-
		583.31	**583.31**	**524.77**	**524.77**	**341.19**	**341.19**	**156.62**	**156.62**
	Cash outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which								
	(i) Outflows related to derivative exposures and other collateral re	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	1,007.18	1,158.26	974.14	1,120.26	747.70	859.85	771.47	887.20
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**1,007.18**	**1,158.26**	**974.14**	**1,120.26**	**747.70**	**859.85**	**771.47**	**887.20**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,239.57	929.68	994.06	745.55	974.77	731.08	844.40	633.30
11	Other cash inflows #	912.93	684.70	870.73	653.04	519.74	389.81	1,128.56	846.42
12	**TOTAL CASH INFLOWS**	**2,152.49**	**1,614.37**	**1,864.79**	**1,398.59**	**1,494.52**	**1,120.89**	**1,972.96**	**1,479.72**
13	Total HQLA		583.31		524.77		341.19		156.62
14	Total net cash outflows		289.57		280.06		214.96		221.80
11	Liquidity Coverage Ratio (%)		201.44%		187.37%		158.72%		70.61%

$ Quarter ending March 31, 2023 Liquidity Coverage Ratio is calculated based on Merged entiry basis (due to merger of Madura Micro Fianance Limited with the Company). All earlier quarters are based on Standalone enitiy basis.
@ Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated basis simple average of month-end observations for Q4-FY2023.
# Other cash inflows includes Fixed deposit placed with banks and proceeds from redemption of mutual funds.

₹ in crore

	Particulars	**Quarter March 31, 2022**		**Quarter December 31, 2021**		**Quarter September 30, 2021**		**Quarter June 30, 2021**	
		Total unweighted value (average) @	**Total weighted value (average) $**	**Total unweighted value (average) @**	**Total weighted value (average) $**	**Total unweighted value (average) @**	**Total weighted value (average) $**	**Total unweighted value (average) @**	**Total weighted value (average) $**
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	-	-	-	-	-	-	-	-
	Cash and bank balance	805.65	805.65	435.90	435.90	753.52	753.52	1,192.68	1,192.68
	Short term fixed deposit	-	-	-	-	-	-	-	-
		805.65	**805.65**	**435.90**	**435.90**	**753.52**	**753.52**	**1,192.68**	**1,192.68**
	Cash outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which								
	(i) Outflows related to derivative exposures and other collateral re	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	719.16	827.03	675.36	776.66	564.97	649.72	575.71	662.07
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**719.16**	**827.03**	**675.36**	**776.66**	**564.97**	**649.72**	**575.71**	**662.07**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	830.45	622.84	783.36	587.52	701.65	526.24	687.14	515.36
11	Other cash inflows #	202.34	151.75	302.41	226.80	517.64	388.23	521.69	391.26
12	**TOTAL CASH INFLOWS**	**1,032.79**	**774.59**	**1,085.77**	**814.32**	**1,219.29**	**914.47**	**1,208.83**	**906.62**
13	Total HQLA		805.65		435.90		753.52		1,192.68
14	Total net cash outflows		206.76		194.16		162.43		165.52
11	Liquidity Coverage Ratio (%)		389.66%		224.50%		463.91%		720.58%

@ Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated basis simple average of month-end observations for Q4-FY2022.

$ Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

Other cash inflows includes Fixed deposit placed with banks and proceeds from redemption of mutual funds.

ac. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended:

₹ in crore

	Particulars	March 31, 2023		March 31, 2022	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side :				
1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured	1,672.35	-	1,372.81	-
	: Unsecured	52.65	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	14,587.25	-	9,112.25	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (Working Capital Loans from Banks)	-	-	-	-

₹ in crore

	Particulars	March 31, 2023	March 31, 2022
		Amount Outstanding	Amount Outstanding
	Assets side :		
2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] (net carrying value):**		
	(a) Secured	60.21	8.76
	(b) Unsecured	19,330.98	12,192.84
3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
4)	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Certificate of Deposits and Commercial Paper)		
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity #	0.55	663.49
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	453.98	-
	(v) Others (please specify)	-	-

pertains to investment of ₹ 663.29 in Madura Micro Finance Limited (the "erstwhile Subsidiary") which is merged with Company during the current year (refer note 45).

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

ac. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended (continued)

5) Borrower group-wise classification of assets financed as in (2) and (3) above :

₹ in crore

Category	March 31, 2023			March 31, 2022		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	149.58	149.58
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	60.21	19,330.98	19,391.19	8.76	12,043.26	12,052.02
Total	**60.21**	**19,330.98**	**19,391.19**	**8.76**	**12,192.84**	**12,201.60**

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in crore

Category	March 31, 2023		March 31, 2022	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **				
(a) Subsidiaries @	NA	0.01	762.48	663.29
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	NA	454.51	NA	0.20
Total		**454.52**		**663.49**

** As per Ind AS

@ pertains to investment of ₹ 663.29 crores in Madura Micro Finance Limited (the "erstwhile Subsidiary") which is merged with Company during the current year.

7) Other information

₹ in crore

Particulars	March 31, 2023			March 31, 2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(i) Gross Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	0.21	236.18	236.39	0.20	393.02	393.22
(ii) Net Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	0.03	66.83	66.86	-	114.86	114.86
(iii) Assets acquired in satisfaction of debt	-	-	-	-	-	-

CreditAccess Grameen Limited
Notes to the standalone financial Statements for the year ended March 31, 2023

ad. Related Party disclosure *

₹ in crore

Items	Related Party													
	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel@		Relatives of Key Management Personnel@		Others*		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others:														
Remuneration to KMP	-	-	-	-	-	-	10.80	7.99	-	-	-	-	10.80	7.99
Setting Fee	-	-	-	-	-	-	0.85	0.68	-	-	-	-	0.85	0.68
Commission to Directors	-	-	-	-	-	-	1.26	0.57	-	-	-	-	1.26	0.57
Grant Given	-	-	11.51	2.70	-	-	-	-	-	-	-	-	11.51	2.70
Rent received	-	-	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Balances Written off	-	-	1.49	2.36	-	-	-	-	-	-	-	-	1.49	2.36
Provision reversal	-	-	(1.49)	(2.36)	-	-	-	-	-	-	-	-	(1.49)	(2.36)
Others Outsanding:														
Commission to Directors payable $	-	-	-	-	-	-	0.87	0.40	-	-	-	-	-	-

$ Maximum outstanding is same as closing payable.
** Comparatives are based on merged entity basis for March 31, 2022.*
 # Transaction and balances pertaining to Madura Micro Finance Limited ("MMFL") is not considered for above disclosure as it is merged with Company pursuant to NCLT order Dated February 07, 2023. (Refer Note 45).

ae. Disclosure of Complaints

(i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	March 31, 2023	March 31, 2022
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	3	4
2	Number of complaints received during the year	2,933	3,189
3	Number of complaints disposed during the year	2,936	3,192
3.1	Of which, number of complaints rejected by the NBFC	1,177	1,214
4	Number of complaints pending at the end of the year	-	1
Maintainable complaints received by the NBFC from Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	10	3
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	10	3
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

(ii) Top five grounds of complaints received by the NBFCs from customers

Sr. No	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
		March 31, 2023				
1	Loans and advances	1	2,171	-4.2%	-	-
2	Credit Bureau related	1	142	238.1%	-	-
3	Insurance	1	448	-35.8%	-	-
4	Grievance against staff	-	104	18.2%	-	-
5	Others	-	68	-29.2%	-	-
Total		3	2,933	-8.0%	-	-
		March 31, 2022				
1	Loans and advances	3	2,265	14.97%	-	-
2	Credit Bureau related	1	42	-12.50%	-	-
3	Insurance	-	698	32.20%	1	-
4	Grievance against staff	-	88	-16.19%	-	
5	Others	-	96	47.69%	-	-
Total		4	3,189	17.42%	1	-

af. Exposure to Real estate and Capital Market

(i) Exposure to Real estate

₹ in crore

Category	March 31, 2023	March 31, 2022
A. Direct exposure		
(i) Residential Mortgages -	52.74	8.61
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
(ii) Commercial Real Estate -	Nil	Nil
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	Nil	Nil
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
a. Residential	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
B. Indirect Exposure	Nil	Nil
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
Total Exposure to Real Estate Sector	52.74	8.61

(ii) Exposure to Capital Market

₹ in crore

Category	March 31, 2023	March 31, 2022
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt # @	0.55	663.50
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-

Investment in un-listed company.

@ pertains to investment of ₹ 663.29 in Madura Micro Finance Limited (the "erstwhile Subsidiary") which is merged with Company during the current year.

ag. Intra-group exposures

The Company has not given advances to Group companies as on March 31, 2023 (March 31, 2022: ₹ 149.58 crore).

ah. iv. Unhedged foreign currency exposure

The Company has no unhedged foreign currency exposure as on March 31, 2023 (March 31, 2022: Nil).

ai. v. Divergence in Asset classification and provisioning

There is no Divergence assessed by Reserve Bank of India.

aj. Sectoral exposure #

₹ in crore

Sectors	March 31, 2023			March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**11,380.03**	**132.57**	**1.16%**	**7,269.16**	**219.37**	**3.02%**
2. Services						
(i) Other services (Micro activities and Essential Services)	9,483.33	101.87	1.07%	6,267.02	143.53	2.29%
Total of Services	**9,483.33**	**101.87**	**1.07%**	**6,267.02**	**143.53**	**2.29%**
3. Personal Loans						
(i) Gold Loans	1.87	0.01	0.30%	0.18	-	0.00%
(ii) Vehicle Loans	3.94	0.01	0.18%	0.40	0.02	4.06%
(ii) Other Personal Loans $	162.64	6.28	3.86%	194.96	39.43	20.22%
Total of Personal Loans	**168.45**	**6.30**	**3.74%**	**195.55**	**39.45**	**20.17%**
4. Others, if any (please specify)	-	-	-	-	-	-

This disclosure is prepared based on principal outstanding as at reporting date.

$ Other Personal Loans given for business purposes

44 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2023 and March 31, 2022.

45 Amalgamation of Madhura Micro Finance Limited ("MMFL") with the Company

(i) Madhura Micro Finance Limited ("MMFL") was subsidiary of the Company and both the Companies are NBFCs MFI registered with RBI. The Board of directors of MMFL and the Company had approved the scheme of amalgamation by way of merger by absorption (“Scheme”) of MMFL (referred as "Transferor Company") with the Company (referred as "Transferee Company") on November 27, 2019 effective from April 01, 2020 (Appointed date). The Scheme was also approved by the equity shareholders of both the Companies pending for subsequent approvals by the National Company Law Tribunal ('NCLT').

The Company received order of amalgamation of MMFL (subsidiary of the Company) with CreditAccess Grameen Limited effective from April 1, 2020 from the Hon’ble 'NCLT', Chennai Bench vide its order dated October 12, 2022, and the Hon’ble NCLT Bengaluru Bench, vide its order dated February 07, 2023.

(ii) Pursuant to receipt of necessary orders from NCLT Bengaluru and Chennai sanctioning the scheme of amalgamation by way of merger by absorption of MMFL with the Company, under Sections 230 to 232 of the Companies Act, 2013, the Scheme became effective on February 15, 2023. The Company has accounted for the amalgamation on and from the Appointed date, i.e., April 1, 2020, as specified in Scheme.

Due to the aforesaid merger being effective from the Appointed date i.e. April 1, 2020, the Financial Statements of the Company for the previous years have been recast/restated.

(iii) Break down of the total purchase consideration into net value of assets, liabilities and reserve transfer is as under:

₹ in crore

Particulars	Amount
I. Consideration paid for acquisition	**869.13**
Assets, Liabilities and Reserves transferred	
a. Assets acquired on appointed date	2,311.51
b. Liabilities transferred on appointed date	1,801.71
c. Reserves transferred on appointed date	60.52
d. Equity adjustment on account of subsequent acquisition before appointed date	3.33
e. Deferred tax adjustment post merger (Refer Note below 45 (iv))	40.84
II. Net Value (a-b-c+d+e)	**493.45**
III. Goodwill (I-II)	**375.68**

(iv) At the time of acquisition of MMFL, the Company recorded deferred tax liability in consolidated financial statements on Customer relationship of ₹ 40.84 Crore. After amalgamation of MMFL with the Company, the company considers that Customer relationship assets are eligible for tax Depreciation from appointed date April 1, 2020. Hence, in accordance with the Indian Accounting Standard 12 'Income taxes', Company has reversed the deferred tax liability on Customer relationship assets in the financial statements.

(v) Company has considered the shares issued in amalgamation transaction while calculating basic and dilutive EPS for the year ended March 31, 2023 and March 31, 2022, as the appointed date was April 1, 2020. (Refer Note 46)

46 Earnings per share (EPS)

The following reflects the profit after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2023	March 31, 2022
Net profit after tax as per statement of profit and loss (₹ in crores)	826.03	353.08
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	826.03	353.08
Weighted average number of equity shares in calculating basic EPS *	15,87,35,423	15,83,98,951
Stock options granted under ESOP	6,84,988	6,22,097
Weighted average number of equity shares in calculating dilutive EPS	15,94,20,412	15,90,21,047
Earnings per share	52.04	22.29
Dilutive earnings per share	51.81	22.20
Nominal value per share	10.00	10.00

*Company has considered share issued in business combination transaction while calculating Basic and dilutive EPS for the year ended March 31, 2023 and March 31, 2022. (refer note 45)

47 Other Disclosures

(i) No Benami Property is held by the Company and/or there are no proceedings that have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

(iii) There were no delay in repayment of borrowings and Subordinated liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021.

(iv) There are no charges or satisfaction in relation to any debt / borrowings which are yet to be registered with ROC beyond the statutory period.

(v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vi) Other than the transactions that are carried out as part of Company normal lending business:
A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

(viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

(ix) **Income tax Demand Notice**
During the year, the Company has received a demand notice for an amount of ₹ 122.63 crore pertaining to Income tax for AY 2018-19. The matter is mainly on the department’s contention of excess consideration received by the Company on conversion of Compulsorily Convertible Debentures (CCDs) into its equity shares. As per Company's assessment, the probability of the liability devolving on the Company is remote and accordingly, the same is neither been provided for nor been considered as contingent liability.

(x) **Analytical Ratios:**

CreditAccess Grameen Limited for March 31, 2023 ₹ in crore

Ratios	Numerator	Denominator	Current period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital torisk-weightedassets ratio(CRAR)						
-Tier I CRAR	4,393.04	19,359.74	22.69%	25.87%	-12.28%	N/A
- Tier II CRAR	172.31	19,359.74	0.89%	0.67%	33.52%	#
Liquidity Coverage Ratio	583.31	289.57	201.44%	389.66%	-48.30%	$

increase in stage 1 provisioning %.
$ Same is Maintained higer than as per RBI mandate.

CreditAccess Grameen Limited for March 31, 2022 ₹ in crore

Ratios	Numerator	Denominator	Current period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital torisk-weightedassets ratio(CRAR)						
-Tier I CRAR	3,268.63	12,635.04	25.87%	30.50%	-15.19%	N/A
- Tier II CRAR	84.22	12,635.04	0.67%	1.25%	-46.67%	#
Liquidity Coverage Ratio	805.65	206.76	389.66%	135.39%	187.81%	##

Subordinated liabilities is fully paid during the current financial year.
Higher liquidity maintained during March 31, 2022

48 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 16, 2023

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 16, 2023

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Company Secretary and Chief Compliance officer
Membership No. ACS-16350

Place: Bengaluru
Date: May 16, 2023

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Phone: 91-80-41317244

INDEPENDENT AUDITORS' REPORT

To The Members of CreditAccess Grameen Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **CreditAccess Grameen Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key Audit Matter</th><th>How the key audit matter was addressed in our Audit</th></tr>
<tr><td colspan="2">(a) Impairment of Loans (Expected Credit Losses)
(as described in note 6 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure as per the Board approved policy which is in line with Ind AS requirement and the relevant Reserve Bank of India's (RBI) regulations/circulars.

The recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical default and loss ratios using criteria in accordance with Ind AS 109 and considering applicable RBI's regulations/ circulars. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans.

The relevant disclosures are made in financial statements for ECL including those relating to judgements and estimates by the Management in determination of the ECL. Refer note 6(A), note 6(B) and note 41.2 to the standalone Ind AS financial statements.</td><td>Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate.

These procedures included, but not limited, to the following:
• We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company;

• We obtained an understanding of the model adopted by the Company for calculation of expected credit losses including the appropriateness of the data on which the calculation is based;

• We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages;

• We tested, on samples basis, the input and historical data used for determining the PD and LGD rates, model validation and agreed the data with the underlying books of accounts and records;

• We tested the arithmetical calculation of the workings of the expected credit losses;

• We evaluated that the Company's impairment allowance is derived in accordance with Ind AS 109 which also include considering the impact of RBI's regulations/ circulars;

• We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the standalone financial statements and our auditor's report thereon. The Management report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements as at and for the year ended March 31, 2021, have been audited by the Deloitte Haskins & Sells, Chartered Accountants, one of the joint auditors of the Company, whose report dated May 06, 2021 expressed an unmodified opinion on those standalone financial statements. Accordingly, we, PKF Sridhar & Santhanam LLP, Chartered Accountants do not express any opinion on the figures reported in the standalone financial statements as at and for the year ended March 31, 2021.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKBS5139
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQFC8573
Place: Bengaluru
Date: May 12, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of **CreditAccess Grameen Limited** (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKBS5139
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQFC8573
Place: Bengaluru
Date: May 12, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **CreditAccess Grameen Limited** (the "Company") for the year ended March 31, 2022)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered Sale Deed provided to us, we report that the title deeds of all the immovable properties, (other than immovable properties where the company is a lessee and the lease agreements are duly executed in favour of the Company) disclosed in financial statements included in Property, Plant and Equipment are held in the name of the Company as at the Balance Sheet Date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use Assets) and intangible assets during the year.

(e) No Proceedings have been initiated during the year or are pending against the company as at 31 March, 2022 for holding Benami Property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has made investments in and granted loans or advances in the nature of Loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties in respect of which:

a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) The investments made and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans provided, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Note 3.15 to the Standalone Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2022, aggregating ₹ 393.22 crore were categorised as credit impaired ("Stage 3") and ₹ 142.48 crore were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6A and Note 6B to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 11,920.16 crore, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delay in the repayment of interest and/or principal in respect of loans aggregating to ₹ 45.05 crore were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 309.74 crore. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to any director of the Company and hence the provisions of Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions of Section 186 as applicable

(v) According to the information and explanations given to us, the Company being Non-Banking Finance Company registered with the Reserve Bank of India (the "RBI"), provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company and no order has been passed by the RBI or any Court or any other Tribunal against the Company in this regard.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax (GST), Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues of GST, Provident Fund, Employees' State Insurance, cess, as on March 31, 2022 which have not been deposited on account of disputes. The details of dues of Income tax which have not been deposited as at March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (Rs. Crore)	Period to which the Amount Relates	Forum where Dispute is Pending	Remarks
Income Tax Act, 1961	Income Tax	1.16^	FY 2016-17	Commissioner of Income Tax (Appeals)	None

^ Net of Rs.0.29 crore paid under protest

(viii) There were no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) According to the information and explanations given to us, in respect of borrowings:

a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

d) On an overall examination of the financial statements of the Company, fund raised on short-term basis have, *prima facie*, not been used during the year for long term purposes by the company.

e) On an overall examination of the financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) a) In our opinion, and according to the information and explanations given to us, money raised by way of further public offer of Debt instruments during the year, have been, *prima facie*, applied by the company for the purposes for which they were raised other than temporary deployment pending application of proceeds.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government, during the year and up to the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.

(xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31, 2022.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.

(xvi) a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

b) During the year:

- The Company has not conducted any Non-Banking Financial activities without a valid certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.

- The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

c) The Company is not a Core Investment Company (CIC) and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the company has transferred unspent Corporate Social Responsibility (CSR) Amount, to a Fund specified in Schedule VII of the Act before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said act.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

(xxi) According to the information and explanations given to us, and based on the CARO Reports issued by the auditors of the subsidiaries, included in the consolidated financial statements of the company, to which reporting under CARO is applicable, provided to us by the Management of the company and based on the identification of matters of qualifications or adverse remarks in their CARO Reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualification or adverse remark in their CARO Report.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKBS5139
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQFC8573
Place: Bengaluru
Date: May 12, 2022

CreditAccess Grameen Limited
Standalone Balance Sheet as at March 31, 2022

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	1,401.16	1,874.59
(b)	Bank balance other than cash and cash equivalents	5	133.16	71.38
(c)	Loans	6	12,201.60	9,717.82
(d)	Investments	7	663.49	662.93
(e)	Other financial assets	8	111.44	111.47
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	30	29.90	29.47
(b)	Deferred tax assets (net)	30	126.30	115.01
(c)	Property, plant and equipment	10 (A)	26.15	18.37
(d)	Right of use assets	10 (A)	74.61	66.66
(e)	Intangible assets	10 (A)	14.28	15.73
(f)	Intangible assets under development	10 (B)	3.07	0.62
(g)	Other non-financial assets	9	9.94	12.74
	Total assets		**14,795.10**	**12,696.79**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	11	1.66	-
(b)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	32.77	18.32
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	211.08	151.94
(c)	Borrowings			
	- Debt securities	13	1,372.81	1,506.04
	- Borrowings (other than debt securities)	14	9,112.25	7,249.68
	- Subordinated liabilities	15	-	25.00
(d)	Other financial liabilities	16	86.92	81.63
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (Net)	30	1.56	-
(b)	Provisions	17	25.11	19.68
(c)	Other non-financial liabilities	18	11.14	9.69
(3)	**Equity**			
(a)	Equity share capital	19	155.87	155.58
(b)	Other equity	20	3,783.93	3,479.23
	Total liabilities and equity		**14,795.10**	**12,696.79**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

For and on behalf of Board of Directors of CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

CreditAccess Grameen Limited
Statement of standalone profit and loss for the year ended March 31, 2022

₹ in crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operations			
(a)	Interest income	21	2,124.79	1,877.13
(b)	Fees and commission income	22	13.22	8.75
(c)	Net gain on fair value changes	23	86.42	130.64
(d)	Bad debt recovery		64.96	11.27
I	**Total revenue from operations (I)**		**2,289.39**	**2,027.79**
II	**Other income**	24	1.81	3.35
III	**Total income (I+II)**		**2,291.20**	**2,031.14**
	Expenses			
(a)	Finance costs	25	788.13	740.07
(b)	Fee and commission expense		2.96	3.01
(c)	Impairment on financial instruments	26	449.44	646.90
(d)	Employee benefits expenses	27	353.50	299.60
(e)	Depreciation and amortization expenses	28	26.23	23.43
(f)	Other expenses	29	158.30	123.84
IV	**Total expenses (IV)**		**1,778.56**	**1,836.85**
V	**Profit before tax (III-IV)**		**512.64**	**194.29**
	Tax expense	30		
	(1) Current tax		113.56	93.44
	(2) Deferred tax		16.94	(41.54)
VI	**Total tax expense (VI)**		**130.50**	**51.90**
VII	**Profit for the year (V-VI)**		**382.14**	**142.39**
VIII	**Other comprehensive income / (loss)**			
A	(1) Items that will not be reclassified to profit or loss		0.33	0.22
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.08)	(0.05)
	Subtotal (A)		**0.25**	**0.17**
B	(1) Items that will be reclassified to profit or loss		(114.13)	42.93
	(2) Income tax relating to items that will be reclassified to profit or loss		28.24	(10.80)
	Subtotal (B)		**(85.89)**	**32.13**
	Other comprehensive income / (loss) (VIII = A+B)		**(85.64)**	**32.30**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income/ (loss) for the year)**		**296.50**	**174.69**
X	**Earnings per equity share (EPS) (face value of ₹ 10.00 each)**	45		
	Basic		24.54	9.52
	Diluted		24.44	9.46

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

For and on behalf of Board of Directors of CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

CreditAccess Grameen Limited
Statement of standalone changes in equity for the year ended March 31, 2022

a) Equity share capital

(i) As at March 31, 2022
Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crores
Balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in equity share capital during the current year	2,84,306	0.29
Balance at the end of the Current reporting period (as at March 31, 2022)	**15,58,66,346**	**155.87**

(ii) As at March 31, 2021
Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crores
Balance at the beginning of the Previous reporting period (as at April 1, 2020)	**14,39,85,459**	**143.99**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the previous reporting period (as at April 1, 2020)	**14,39,85,459**	**143.99**
Changes in equity share capital during the previous year	1,15,96,581	11.60
Balance at the end of the previous reporting period (as at March 31, 2021)	**15,55,82,040**	**155.58**

b) Other equity

₹ in crore

	Reserve & Surplus					Debt instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedge	Total
Particulars	**Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)**	**Capital reserve (refer Note 20.2)**	**Securities premium**	**Share options outstanding account**	**Retained earnings**			
As at March 31, 2020	**203.42**	**49.95**	**1,483.59**	**8.61**	**815.59**	**(36.07)**	**-**	**2,525.09**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2020	**203.42**	**49.95**	**1,483.59**	**8.61**	**815.59**	**(36.07)**	**-**	**2,525.09**
Profit for the year	-	-	-	-	142.39	-	-	142.39
Other comprehensive income (net of tax)	-	-	-	-	0.17	32.13	-	32.30
Premium on equity shares issued during the year	-	-	788.68	-	-	-	-	788.68
Premium on exercise of stock options	-	-	4.39	(2.05)	-	-	-	2.34
Transferred to statutory reserves	28.47	-	-	-	(28.47)	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	(13.53)	-	-	-	-	(13.53)
Employee stock option compensation for the year	-	-	-	1.96	-	-	-	1.96
As at March 31, 2021	**231.89**	**49.95**	**2,263.13**	**8.52**	**929.68**	**(3.94)**	**-**	**3,479.23**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2021	**231.89**	**49.95**	**2,263.13**	**8.52**	**929.68**	**(3.94)**	**-**	**3,479.23**
Profit for the year	-	-	-	-	382.14	-	-	382.14
Other comprehensive income/ (loss) (net of tax)	-	-	-	-	0.25	(86.28)	0.39	(85.64)
Premium on exercise of stock options	-	-	5.00	(2.25)	-	-	-	2.75
Transferred to statutory reserves	76.43	-	-	-	(76.43)	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	-	-	-	-	-	-
Employee stock option compensation for the year	-	-	-	5.45	-	-	-	5.45
As at March 31, 2022	**308.32**	**49.95**	**2,268.13**	**11.72**	**1,235.64**	**(90.22)**	**0.39**	**3,783.93**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

CreditAccess Grameen Limited
Statement of standalone cash flows for the year ended March 31, 2022

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Cash flow from operating activities:		
Profit before tax	512.64	194.29
Adjustments:		
Interest income on loans	(2,095.71)	(1,858.17)
Interest on deposits with banks and financial institutions	(25.47)	(18.96)
Interest on Loan given to subsidary	(3.61)	-
Depreciation and amortisation expenses	26.23	23.43
Finance costs	788.13	740.07
Impairment on financial instruments	449.44	646.90
Gain on derecognition of loans designated at FVTOCI	(69.99)	(112.89)
Net gain on financial instruments at fair value through profit or loss	(16.42)	(17.74)
Share based payments to employees	5.45	1.96
Dividend Income	(0.14)	-
Provision for other assets	1.59	0.20
	(940.50)	**(595.20)**
Operational cash flows from interest:		
Interest received on loans	2,092.81	1,852.85
Finance costs	(771.73)	(709.74)
Working capital changes:		
(Increase) in loans	(2,896.13)	(1,143.84)
Decrease/ (increase) in other receivables	-	0.22
Decrease in other financial assets	68.42	46.97
Decrease/ (Increase) in other non-financial assets	2.80	(1.71)
Increase/(Decrease) in trade and other payables	73.59	90.42
Increase in provisions	5.76	3.88
(Decrease)/ Increase in other financial liabilities	(5.16)	2.31
Increase in other non-financial liabilities	1.45	0.60
	(2,749.27)	**(1,001.15)**
Income tax paid	(112.51)	(105.37)
Net cash flows (used in) Operating activities (A)	**(1,968.56)**	**(364.32)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(17.16)	(3.29)
Proceeds from sale of property, plant and equipment	0.13	0.46
Purchase of Intangible assets and expenditure on Intangible assets under development	(5.96)	(8.50)
Loan given to subsidiary	(150.00)	-
(Increase)/ Decrease in bank balance other than cash and cash equivalents	(61.78)	(55.55)
Interest on deposits with banks and financial institutions	25.47	18.96
Purchase of investments at fair value through profit and loss	(6,792.70)	(7,200.60)
Sale of investments at fair value through profit and loss	6,809.13	7,218.34
Interest on Loan given to subsidary	4.04	-
Dividend Income	0.14	-
Investment in equity shares of subsidiary	(0.56)	(1.49)
Net cash flows (used in) investing activities (B)	**(189.25)**	**(31.67)**
Cash flow from financing activities		
Debt securities issued/ repaid (net)	(137.84)	825.84
Borrowings other than debt securities issued (net)	1,861.68	108.39
Subordinated liabilities repaid (net)	(25.00)	-
Payment for principal portion of Lease liability (net)	(17.49)	(17.35)
Proceeds from issuance of equity share capital including securities premium	-	799.99
Proceeds from the Employee Stock options	3.03	2.62
Expenses incurred towards issuance of equity share capital	-	(13.53)
Net cash flows from financing activities (C)	**1,684.38**	**1,705.96**
Net increase / (decrease) in cash and cash equivalents	**(473.43)**	**1,309.97**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	**1,874.59**	**564.62**
Cash and cash equivalents as at the end of the year (Refer Note 4)	**1,401.16**	**1,874.59**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal &
Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

1. Corporate information

CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) (‘the Company’) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company (‘NBFC-ND’) with the Reserve Bank of India (‘RBI’) and has got classified as a Non-Banking Financial Company – Micro Finance Institution (‘NBFC-MFI’) with effect from September 5, 2013. The company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE').The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B- 02.00252) located at New No. 49 (Old No. 725), 46th Cross,8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India.

The Company is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups (‘JLG’). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members. The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 12, 2022.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated. These standalone financial statements have been prepared on a going concern basis.

2.1 Presentation of standalone financial statements

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

2.2 Critical accounting estimates and judgements

The preparation of the Company’s standalone financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management’s estimates are based. Accounting estimates and judgements are used in various line items in the standalone financial statements for e.g.:

- Business model assessment (Refer Note 3.14)
- Fair value of financial instruments (Refer Note 3.18)
- Effective interest rate (EIR) (Refer Note 3.1.1)
- Impairment of financial assets (Refer Note 3.15)
- Provisions (Refer Note 3.8)
- Contingent liabilities and assets (Refer Note 3.9)
- Provision for tax expenses (Refer Note 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note 3.6.1)
- Hedge accounting (Refer Note no. 3.17)

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of this standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

3.1.1 Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

3.1.2 Interest on financial assets at fair value through profit and loss (FVTPL) is recognised in accordance with the contractual terms of the instrument.

3.1.3 The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

3.1.4 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.5 Dividend Income

Dividend income is recognised at the time when the right to receive is established.

3.2 Finance cost

Borrowing cost on financial liabilities including towards securitisation transactions not derecognised by the Company are recognised by applying the EIR.

3.3 Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to cash with an insignificant risk of changes in value.

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6 Depreciation and amortization

3.6.1 Depreciation

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated, the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

Property, plant and equipment costing less then ₹ 5000 per unit are fully depreciated in the year of purchase.

3.6.2 Amortisation of intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

3.7 Impairment of non–financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3 Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11 Taxes

3.11.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 38.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the "Share options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1 Financial Assets

3.14.1.1 Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3 Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:
(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4 Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5 Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

3.14.2 Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The Company doesn’t reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset
Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Company has transferred substantially all the risks and rewards of the asset
or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 41.

Accordingly, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.
Stage 3: Loans considered credit-impaired (as outlined in Note 41). The Company records an allowance for the LTECLs.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Hedge accounting

The Company enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Company does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

Here, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as ‘hedging reserve’.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item.

The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.18 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Company.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
i. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
ii. Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
iii. Level 3 - Unobservable inputs for the asset or liability.

3.19 Segment information

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

3.20 Business combinations

A) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:
(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

B) Other business combinations

The Company uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder’s fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.21 Foreign currency

3.21.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.21.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.21.3 Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.22 Leases (where the Company is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises and servers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset;
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

3.23 Investments

Investment in subsidiaries
Investment in subsidiaries is recognised at cost. Cost of investment represents amount paid for acquisition of the said investment.The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Other investments
Other Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI).

3.24 Recent Accounting Pronouncements

3.24.1 Key New and amended standards adopted by the Company

(a) Interest rate Benchment reform-Amendments to Ind AS 107 and Ind AS 109;

The Ministry of Corporate Affairs had earlier notified amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which were effective from April 1, 2020 (the Phase 1 amendments). Those amendments provided temporary reliefs from applying specific hedge accounting requirements to relationships affected by IBOR reform.

The amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which are effective from April 1, 2021 (the Phase 2 amendments) address the issues that arise during the reform of an interest rate benchmark rate, Including the replacement of one benchmark rate with an alternative one.

The key reliefs provided by the Phase 2 amendments are as follows:

* Changes to contractual cash flows

When changing the basis for determining contractual cash flows for financial asset and labilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in profit and loss.

*Hedge accounting

The hedge accounting reliefs will allow most Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

(b) Covid-19- related rent concessions- Amendments to Ind AS 116;

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Previously,an amendment to Ind AS 116, Leases provided lessees With an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied as well as the amount recognised in profit or loss arising from the rent concessions, The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021 However, it was subsequently extended to 30 June 2022.

None of these amendments has any material effect on the Company's financial statements.

3.24.2 Key Amendments applicable from next Financial year

(a) Ind AS 16, Property Plant and Equipment; Proceeds before intended use of property, plant and equipment

The amendment clarifies that an entity shall not deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

(b) Ind AS 37, Provisions, contingent Liabilities and contingent Assets; Onerous contracts - Cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises; the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(c) Ind AS 109, Financial instruments; Fees Included in the 10% test for derecognition of financial Liabilities.

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, Including fees paid or received by either the entity or the lender on the other's behalf.

The Company does not expect any of these amendments to have any material effect on the financial statements.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

4 Cash and cash equivalents ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Cash in hand	6.95	7.96
Balances with Banks in current accounts	61.38	154.95
Bank deposit with maturity of less than 3 months	1,332.83	1,711.68
Total	**1,401.16**	**1,874.59**

5 Bank balance other than cash and cash equivalents ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Fixed deposit with bank not considered as cash and cash equivalents*	133.16	71.38
Total	**133.16**	**71.38**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Loans ₹ in crore

Particulars	March 31, 2022			March 31, 2021		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans	703.96	11,555.32	12,259.28	544.21	9,275.37	9,819.58
Individual loans	196.58	-	196.58	414.03	-	414.03
Total - Gross	**900.54**	**11,555.32**	**12,455.86**	**958.24**	**9,275.37**	**10,233.61**
Less: Impairment loss allowance	94.58	309.26	403.84	133.75	382.04	515.79
Total - Net*	**805.96**	**11,246.06**	**12,052.02**	**824.49**	**8,893.33**	**9,717.82**
(B) Subordinated Loan to subsidiary						
Madura Micro Finance Limited (refer Note 2)	149.58	-	149.58	-	-	-
Total	**149.58**	**-**	**149.58**	**-**	**-**	**-**
Total (A+B)	**955.54**	**11,246.06**	**12,201.60**	**824.49**	**8,893.33**	**9,717.82**
(C). (a) Secured by tangible assets	9.19	-	9.19	6.17	-	6.17
(b) Unsecured	1,040.93	11,555.32	12,596.25	952.06	9,275.37	10,227.44
Total - Gross	**1,050.12**	**11,555.32**	**12,605.44**	**958.24**	**9,275.37**	**10,233.61**
Less: Impairment loss allowance	94.58	309.26	403.84	133.75	382.04	515.79
Total - Net*	**955.54**	**11,246.06**	**12,201.60**	**824.49**	**8,893.33**	**9,717.82**
(D). (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	1,050.12	11,555.32	12,605.44	958.24	9,275.37	10,233.61
Total - Gross	**1,050.12**	**11,555.32**	**12,605.44**	**958.24**	**9,275.37**	**10,233.61**
Less: Impairment loss allowance	94.58	309.26	403.84	133.75	382.04	515.79
Total - Net*	**955.54**	**11,246.06**	**12,201.60**	**824.49**	**8,893.33**	**9,717.82**
(E). (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-

*Includes fair value of loans designated at FVTOCI.

Note 1: The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013),either severally or jointly with any other person that are - (a) repayable on demand or (b) without specifying any terms or period of repayment.

Note 2: Terms and conditions of Loan are as follows;
(a) The Loan is and shall remain unsecured and subordinated at all times and in all respects, including repayment terms, to the claims of all other creditors.
(b) Term of loan is six years from the date of disbursement of the Loan.
(c) Rate of Interest is 13.50% P.A and payable on monthly basis.
(d) Principal amount is payable at the end of Loan period.

6(A) Joint Liability loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Joint Liability loans (including loans assets measured through FVTOCI):

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2021	**9,299.91**	**102.05**	**417.62**	**9,819.58**
(a) New assets originated or purchased	12,764.87	-	-	12,764.87
(b) Asset derecognised or repaid (Excluding write offs) #	(8,855.47)	(541.20)	(400.67)	(9,797.34)
Assets written off during the year	-	-	(527.83)	(527.83)
Movement between stages**				
Transfer from Stage 1	(1,971.98)	1,430.88	541.10	-
Transfer from Stage 2	468.59	(929.24)	460.65	-
Transfer from Stage 3	62.31	74.85	(137.16)	-
Gross carrying value of assets as at March 31, 2022	**11,768.23**	**137.34**	**353.71**	**12,259.28**

Represents balancing figure.
** based on quarterly movement.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	**162.00**	**21.64**	**281.38**	**465.02**
(a) New assets originated or purchased	88.03	-	-	88.03
(b) Asset derecognised or repaid (Excluding write offs) #	(107.68)	(133.76)	(271.95)	(513.39)
Assets written off during the year			(527.83)	(527.83)
Movement between stages**				
Transfer from Stage 1	(13.37)	9.70	3.67	-
Transfer from Stage 2	200.32	(397.25)	196.93	-
Transfer from Stage 3	46.73	56.14	(102.87)	-
Impact on ECL on account of movement between stages	(294.88)	482.30	662.48	849.90
ECL allowance as at March 31, 2022*	**81.15**	**38.77**	**241.81**	**361.73**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 309.26 crores.
** based on quarterly movement.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2020	8,782.92	22.73	132.38	8,938.03
(a) New assets originated or purchased	9,438.90	-	-	9,438.90
(b) Asset derecognised or repaid (Excluding write offs) #	(7,715.11)	(328.74)	(143.80)	(8,187.65)
Assets written off during the year	-	-	(369.70)	(369.70)
Movement between stages				
Transfer from Stage 1	(1,309.11)	1,088.03	221.08	-
Transfer from Stage 2	90.91	(684.21)	593.30	-
Transfer from Stage 3	11.40	4.24	(15.64)	-
Gross carrying value of assets as at March 31, 2021	**9,299.91**	**102.05**	**417.62**	**9,819.58**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**143.12**	**10.11**	**97.91**	**251.14**
(a) New assets originated or purchased	63.93	-	-	63.93
(b) Asset derecognised or repaid (Excluding write offs) #	(52.25)	(141.19)	(107.75)	(301.19)
Assets written off during the year	-	-	(369.70)	(369.70)
Movement between stages				
Transfer from Stage 1	(8.87)	7.37	1.50	-
Transfer from Stage 2	39.04	(293.85)	254.81	(0.00)
Transfer from Stage 3	8.54	3.17	(11.71)	0.00
Impact on ECL on account of movement between stages	(31.51)	436.03	416.32	820.84
ECL allowance as at March 31, 2021*	**162.00**	**21.64**	**281.38**	**465.02**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 382.04 crores.

6(B) Individual loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2021	**369.83**	**12.25**	**31.95**	**414.03**
(a) New assets originated or purchased	72.80	-	-	72.80
(b) Asset derecognised or repaid (Excluding write offs) #	(228.16)	(18.84)	(9.69)	(256.69)
Assets written off during the year	-	-	(33.56)	(33.56)
Movement between stages**				
Transfer from Stage 1	(83.44)	76.74	6.70	-
Transfer from Stage 2	20.34	(74.84)	54.50	-
Transfer from Stage 3	0.56	9.83	(10.39)	-
Gross carrying value of assets as at March 31, 2022	**151.93**	**5.14**	**39.51**	**196.58**

Represents balancing figure.
** based on quarterly movement.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	**12.39**	**6.17**	**32.21**	**50.77**
(a) New assets originated or purchased	1.47			1.47
(b) Asset derecognised or repaid (Excluding write offs) #	(6.14)	(9.34)	(9.37)	(24.85)
Assets written off during the year			(33.56)	(33.56)
Movement between stages**				
Transfer from Stage 1	(1.66)	1.53	0.13	-
Transfer from Stage 2	10.17	(37.42)	27.25	-
Transfer from Stage 3	0.56	9.83	(10.39)	-
Impact on ECL on account of movement between stages	(13.75)	31.75	30.28	48.28
ECL allowance as at March 31, 2022	**3.04**	**2.52**	**36.55**	**42.11**

Represents balancing figure.
** based on quarterly movement.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2020	**484.98**	**5.66**	**9.72**	**500.36**
(a) New assets originated or purchased	192.83	-	-	192.83
(b) Asset derecognised or repaid (Excluding write offs) #	(240.89)	(6.17)	(4.97)	(252.03)
Assets written off during the year	-	-	(27.13)	(27.13)
Movement between stages				
Transfer from Stage 1	(68.64)	34.98	33.66	-
Transfer from Stage 2	1.39	(22.30)	20.91	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Gross carrying value of assets as at March 31, 2021	**369.83**	**12.25**	**31.95**	**414.03**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**1.80**	**2.97**	**9.84**	**14.61**
(a) New assets originated or purchased	3.86	-	-	3.86
(b) Asset derecognised or repaid (Excluding write offs) #	(4.82)	(3.08)	(4.96)	(12.86)
Assets written off during the year	-	-	(27.13)	(27.13)
Movement between stages				
Transfer from Stage 1	(1.37)	0.70	0.67	-
Transfer from Stage 2	0.69	(11.15)	10.46	0.00
Transfer from Stage 3	0.16	0.08	(0.24)	0.00
Impact on ECL on account of movement between stages	12.07	16.65	43.57	72.29
ECL allowance as at March 31, 2021	**12.39**	**6.17**	**32.21**	**50.77**

Represents balancing figure.

7 Investments*

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Investments in fully paid equity shares		
a) Subsidiaries (at cost)		
(I) unquoted		
Madura Micro Finance Limited [Number of shares 5,490,716 (Previous year 5,486,216) of Rs. 10 face value]	663.28	662.73
CreditAccess India Foundation [Number of shares 9,999 (Previous year NIL) of Rs. 10 face value]	0.01	-
b) Other equity shares		
(I) unquoted		
(i) At fair value through profit and loss		
Alpha Microfinance Consultants Private Limited [Number of shares 200,000 (Previous year 200,000) of Rs. 10 face value]	0.20	0.20
Total	**663.49**	**662.93**

* All Investment in note 7 above are within India.

8 Other financial assets

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Receivable from assignment of portfolio (unsecured, considered good)	77.89	90.75
Security deposits (unsecured, considered good)	10.36	9.68
Loans to employees (unsecured, considered good)	14.76	7.54
Other financial assets		
Unsecured, considered good*	8.43	3.50
Unsecured, considered doubtful	1.53	0.39
Less: Provision for doubtful advances	(1.53)	(0.39)
Total	**111.44**	**111.47**

*Includes License and other service charges receivables from Madura Micro Finance Limited ₹ 1.34 crore and CreditAccess India Foundation ₹ 0.2 crore as at March 31, 2022 (₹ 1.12 crore as at March 31, 2021 from Madura Micro Finance Limited).

9 Other non-financial assets

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Prepaid expenses	7.41	5.42
Advances to employees	0.23	0.15
Capital advance	-	1.18
Other advances		
Unsecured, considered good	2.30	5.99
Unsecured, considered doubtful	1.21	0.98
Less: Provision for doubtful advances	(1.21)	(0.98)
Total	**9.94**	**12.74**

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

₹ in crore

10 (A)

Particulars	Property, plant and equipment							Total	Right of use assets		Total	Intangible assets	
	Land & Building	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles		Buildings	Computer		Computer software	Total
Cost:													
At March 31, 2020	-	11.37	0.76	9.31	9.05	16.46	0.62	**47.57**	22.54	37.84	**60.38**	21.03	**21.03**
Additions	-	1.36	0.02	0.09	0.10	0.53	0.01	**2.11**	0.32	24.88	**25.20**	10.72	**10.72**
Disposals	-	(0.43)	(0.05)	(0.19)	(0.16)	(0.61)	-	**(1.44)**			**-**	-	**-**
At March 31, 2021	**-**	**12.30**	**0.73**	**9.21**	**8.99**	**16.38**	**0.63**	**48.24**	**22.86**	**62.72**	**85.58**	**31.75**	**31.75**
Additions	5.64	3.36	0.17	3.02	0.68	4.05	0.25	**17.17**	0.88	19.05	**19.93**	3.51	**3.51**
Disposals	-	(0.66)	(0.02)	(0.06)	-	(0.54)	-	**(1.28)**	-	-	**-**	-	**-**
At March 31, 2022	**5.64**	**15.00**	**0.88**	**12.17**	**9.67**	**19.89**	**0.88**	**64.13**	**23.74**	**81.77**	**105.51**	**35.26**	**35.26**
Depreciation / Amortisation:													
At March 31, 2020	-	7.19	0.71	5.60	3.91	5.57	0.40	**23.38**	3.79	3.66	**7.45**	11.53	**11.53**
Depreciation/Amortisation charge for the year	-	2.26	0.03	0.52	1.48	3.11	0.07	**7.47**	3.64	7.83	**11.47**	4.49	**4.49**
Disposals	-	(0.15)	(0.05)	(0.18)	(0.16)	(0.44)	-	**(0.98)**	-	-	**-**	-	**-**
At March 31, 2021	**-**	**9.30**	**0.69**	**5.94**	**5.23**	**8.24**	**0.47**	**29.87**	**7.43**	**11.49**	**18.92**	**16.02**	**16.02**
Depreciation/Amortisation charge for the year	-	2.40	0.17	1.80	1.39	3.46	0.07	**9.29**	4.08	7.90	**11.98**	4.96	**4.96**
Disposals	-	(0.66)	(0.02)	(0.05)	-	(0.45)	-	**(1.18)**	-	-	**-**	-	**-**
At March 31, 2022	**-**	**11.04**	**0.84**	**7.69**	**6.62**	**11.25**	**0.54**	**37.98**	**11.51**	**19.39**	**30.90**	**20.98**	**20.98**
Net book value:													
At March 31, 2020	**-**	**4.18**	**0.05**	**3.71**	**5.14**	**10.89**	**0.22**	**24.19**	**18.75**	**34.18**	**52.93**	**9.50**	**9.50**
At March 31, 2021	**-**	**3.00**	**0.04**	**3.27**	**3.76**	**8.14**	**0.16**	**18.37**	**15.43**	**51.23**	**66.66**	**15.73**	**15.73**
At March 31, 2022	**5.64**	**3.96**	**0.04**	**4.48**	**3.05**	**8.64**	**0.34**	**26.15**	**12.23**	**62.38**	**74.61**	**14.28**	**14.28**

Note:

(i) There were no acquisitions through business combinations, change due to revaluation and changes due to impairment losses in current and previous years.

(ii) There are no immovable properties whose title deed are not held in name of the Company or are jointly held with others.

10 (B) **(a) Intangible assets under development**

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Opening	0.62	2.84
Additions during the year	3.84	2.00
Less: Capitalised during the year	(1.39)	(4.22)
Closing	**3.07**	**0.62**

(b) (i) Intangible assets under development aging schedule as at 31 March 2022*

Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**2.64**	**0.43**	**-**	**-**

*There were no Project which is temporarily suspended as at March 31, 2022.

(b) (ii) Intangible assets under development aging schedule as at 31 March 2021*

Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**0.62**	**-**	**-**	**-**

*There were no Project which is temporarily suspended as at March 31, 2021.

11 Derivative financial instruments ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Part I		
(i) Cross currency interest rate swap derivatives: #		
Fair value liability		
Cross currency interest rate swaps	1.66	-
Total	**1.66**	**-**
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
(i) Cash flow hedging:		
Fair value liability		
Cross currency interest rate swaps	1.66	-
Total	**1.66**	**-**

Notional amounts of Cross currency interest rate swaps of ₹ 111.75 crore.

12 Payables ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	32.77	18.32
Total	**32.77**	**18.32**
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	211.08	151.94
Total	**211.08**	**151.94**
Total Payable	**243.85**	**170.26**

Note:
(A) Dues to micro enterprises and small enterprises:

Particulars	March 31, 2022	March 31, 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
(ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

(B) Trade Payables aging schedule
(i) As at March 31, 2022*

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	**-**	**-**	**-**	**-**	**-**
(ii) Others	**32.73**	**0.04**	**-**	**-**	**32.77**

*There were no Disputed payable as at March 31, 2022.

(ii) As at March 31, 2021*

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
(ii) Others	**18.32**	**-**	**-**	**-**	**18.32**

*There were no Disputed payable as at March 31, 2021.

13 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Debentures (secured)	1,372.81	1,506.04
Total	**1,372.81**	**1,506.04**
Debt securities in India	1,372.81	1,506.04
Debt securities outside India	-	-
Total	**1,372.81**	**1,506.04**
Nature of security		
The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Company.		

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value	Amount in crores	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.50	19.48
11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.49	19.47
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. February 27, 2020.	800	800	10,00,000	80.52	80.33
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	10,00,000	100.94	100.95
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	459	905	10,00,000	47.39	93.19
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	10,00,000	220.19	219.39
10.20% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	170	170	10,00,000	16.97	16.94
10.42% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. March 31, 2021.	1,450	1,450	10,00,000	144.93	144.90

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

Debentures (secured) (at amortised cost) (continued)

10.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Four months from the date of allotment i.e. June 29, 2020.	725	1,208	10,00,000	74.29	123.74
9.81% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thity Six Months from the date of allotment i.e. July 31, 2020.	167	250	10,00,000	16.89	25.31
10.00% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. June 26, 2020.	500	500	10,00,000	53.62	53.52
10.05% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. July 3, 2020.	300	300	10,00,000	32.15	32.10
9.95% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Four Months from the date of allotment i.e. July 27, 2020.	1,000	1,000	10,00,000	106.64	106.57
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	500	10,00,000	-	52.84
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	360	10,00,000	-	37.98
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	500	10,00,000	-	49.93
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	500	10,00,000	-	49.97
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	1,000	1,000	10,00,000	104.04	103.73
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	250	250	10,00,000	25.88	25.80
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	250	1,000	10,00,000	25.12	100.35
9.00% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Two years from the date of allotment i.e. March 25, 2021.	500	500	10,00,000	54.13	49.55
8.56% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Two years and Five days from the date of allotment i.e. August 31, 2021.	1,000	-	10,00,000	104.11	-
9.90% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years and Fifteen days from the date of allotment i.e. April 30, 2021.	710	-	10,00,000	70.92	-
9.70% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. March 11, 2022.	552	-	10,00,000	55.09	-
Total	**13,363**	**14,723**		**1,372.81**	**1,506.04**

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

Terms of repayment of borrowings as on March 31, 2022

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	9%-9.5%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	1	24.17	-	-	-	-	-	-	-	-	72.50
		Above 3 years	9.5%-10%	-	-	2	107.00	2	107.00	-	-	-	-	-	-	214.00
	Bullet	1-3 years	8.5%-9%	-	-	1	100	-	-	-	-	-	-	-	-	100.00
			9%-9.5%	3	175.00	-	-	-	-	-	-	-	-	-	-	175.00
			9.5%-10%	1	8.33	2	108.34	-	-	-	-	-	-	-	-	116.67
			10%-10.5%	-	-	2	80.00	-	-	-	-	-	-	-	-	80.00
		Above 3 years	9.5%-10%	-	-	-	-	2	126.20	-	-	-	-	-	-	126.20
			10%-10.5%	1	17.00	1	145.00	-	-	-	-	-	-	-	-	162.00
			11%-11.5%	1	80.00	1	19.50	-	-	-	-	-	-	-	-	99.50
			11.5%-12%	1	100.00	1	19.50	-	-	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	45.90	-	-	-	-	-	-	-	-	-	-	45.90
Term loan banks	Monthly	1-3 years	5.5%-6.0%	9	16.88	-	-	-	-	-	-	-	-	-	-	16.88
			6.5%-7.0%	24	27.27	9	10.45	-	-	-	-	-	-	-	-	37.73
			7%-7.5%	56	183	46	139	11	26.47	-	-	-	-	-	-	348.75
			7.5%-8.0%	591	1,720.29	299	959.59	20	180.00	-	-	-	-	-	-	2,859.87
			8%-8.5%	162	503.66	91	361.09	9	75.00	-	-	-	-	-	-	939.76
			8.5%-9%	142	566.33	65	117.50	2	6.25	-	-	-	-	-	-	690.08
			9%-9.5%	126	273.57	42	95.62	-	-	-	-	-	-	-	-	369.18
		Above 3 years	7%-7.5%	36	66.67	36	66.67	26	52.78	-	-	-	-	-	-	186.12
			7.5%-8.0%	24	33.33	24.00	33.33	16	22	-	-	-	-	-	-	88.89
			8%-8.5%	105	259.70	77	96	52	44	-	-	-	-	-	-	400.05
			10%-10.5%	12	17	7	10	-	-	-	-	-	-	-	-	26.37
	Quarterly	1-3 years	7.5%-7.75%	3	60.00	4	80.00	3	60.00	-	-	-	-	-	-	200.00
			8%-8.5%	4	50.00	3	37.50	-	-	-	-	-	-	-	-	87.50
			8.5%-9%	8	71.43	4	36.36	5	45.45	-	-	-	-	-	-	153.25
			9%-9.5%	8	14.55	8	14.55	3	5.45	-	-	-	-	-	-	34.55
		Above 3 years	6.5%-7.0%	4	20.00	4	20.00	4	20.00	-	-	-	-	-	-	60.00
			8.5%-9%	3	6.82	4	9.09	4	9.09	-	-	-	-	-	-	25.00
			9%-9.5%	6	54.55	8	72.73	8	72.73	-	-	-	-	-	-	200.00
	Half Yearly	1-3 years	9.5%-10%	2	20.00	2	20.00	-	-	-	-	-	-	-	-	40.00
	Bullet	1-3 years	7.5%-8.0%	3	82.50	1	27.50	-	-	-	-	-	-	-	-	110.00
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	12	66.00	-	-	-	-	-	-	-	-	-	-	66.00
		1-3 years	9.5%-10%	7	5.83	12	10.00	11	9.17	-	-	-	-	-	-	25.00
	Quarterly	Above 3 years	9.5%-10%	8	140.80	8	117.20	8	91.00	8	47.20	5	32.60	-	-	428.80
	Half Yearly	1-3 years	7%-7.5%	3	216.00	-	-	-	-	-	-	-	-	-	-	216.00
			10.5%-11%	1	57.50	-	-	-	-	-	-	-	-	-	-	57.50
		Above 3 years	10.5%-11%	5	9.50	-	-	-	-	-	-	-	-	-	-	9.50
			11.5%-12%	12	325.00	12.00	405.00	6.00	180.00	-	-	-	-	-	-	910.00
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	32	76.96	16	42.06	12	37.71	-	-	-	-	-	-	156.74
			9.5%-10%	4	15.33	4	15.33	-	-	-	-	-	-	-	-	30.67
		Above 3 years	9%-9.5%	36	42.56	36	44.05	26	27.85	-	-	-	-	-	-	114.45
External commercial borrowings	Half Yearly	Above 3 years	10%-10.5%	-	-	-	-	2	44.70	2	44.70	1	22.35	-	-	111.75
	Bullet	1-3 years	11%-11.5%	1	93.44	-	-	-	-	-	-	-	-	-	-	93.44
Grand Total				**1,460**	**5,596.13**	**833**	**3,444.11**	**232**	**1,242.99**	**10**	**91.90**	**6**	**54.95**	**-**	**-**	**10,430.08**

Note: The above amount pertains to the principal outstanding only.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	-	-	-	-	2	80.00	-	-	-	-	-	-	80.00
		Above 3 years	10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	99	260.44	25	48.86	-	-	-	-	-	-	-	-	309.30
			9%-9.5%	102	243.45	66	102.14	14	19.69	-	-	-	-	-	-	365.28
			9.5%-10%	1	2.27	-	-	-	-	-	-	-	-	-	-	2.27
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	12	399.96	11	366.21	-	-	-	-	-	-	-	-	766.17
			9%-9.5%	10	7.58	12	9.09	11	8.33	-	-	-	-	-	-	25.00
			9.5%-10%	3	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			10%-10.5%	18	19.26	12	16.68	7	9.69	-	-	-	-	-	-	45.63
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
	Half Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	14	133.00	2	16.00	-	-	-	-	-	-	-	-	149.00
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
		Above 3 years	10.5%-11%	8	15.00	5	9.50	-	-	-	-	-	-	-	-	24.50
			11.5%-12%	12	280.00	12	325.00	12	405.00	6	180.00	-	-	-	-	1,190.00
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-	-	-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-	-	-	33.48
			9.5%-10%	2	3.33	2	3.33	2	3.34	-	-	-	-	-	-	10.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**910**	**4,645.70**	**481**	**2,723.77**	**90**	**1,072.50**	**8**	**287.00**	**-**	**-**	**-**	**-**	**8,728.97**

Note: The above amount pertains to the principal outstanding only.

14 Borrowings other than debt securities (at amortised cost) ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Term loans (secured)		
Banks	6,869.21	5,115.80
Financials institutions	1,730.98	1,783.72
Non-banking financial companies	302.24	124.65
External commercial borrowings	93.74	225.51
Term loans (unsecured)		
External commercial borrowings	116.08	-
Total	**9,112.25**	**7,249.68**
Borrowings in India	8,902.43	7,024.17
Borrowings outside India	209.82	225.51
Total	**9,112.25**	**7,249.68**

Note:

(1) The term loans are covered by unsecured microfinance loans to the extent of minimum 100% of outstanding. Further in respect of borrowings (including Debentures) drawn during quarter 4 of FY 2021-22 aggregating to ₹ 734.70 crore (Quarter 4 of Previous year ₹ 528.59 crore), the Company will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

(2) Term loans availed during the year were applied for the purposes for which the loans were obtained, other than temporary deployment pending application.

14.1 Delay in repayment

There were no delay in repayment of borrowings as at March 31, 2022 and March 31, 2021.

15 Subordinated liabilities (at amortised cost) ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Term Loan (Unsecured)	-	25.00
Total	**-**	**25.00**
Subordinated Liabilities in India	-	25.00
Subordinated Liabilities outside India	-	-
Total	**-**	**25.00**

16 Other financial liabilities

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Lease liabilities	84.82	74.36
Others	2.10	7.27
Total	**86.92**	**81.63**

17 Provisions

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits:		
Gratuity	4.85	4.20
Leave encashment and availment	20.26	15.48
Total	**25.11**	**19.68**

18 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Statutory dues payable (Tax deducted at source, GST etc)	11.14	9.69
Total	**11.14**	**9.69**

19 Equity share capital ₹ in crore

Particulars	March 31, 2022	March 31, 2021
Authorised		
Equity shares of ₹ 10 each	160.00	160.00
16,00,00,000 (March 31, 2021 : 16,00,00,000) equity shares	**160.00**	**160.00**
	March 31, 2022	**March 31, 2021**
Issued, subscibed and fully paid up		
155,866,346 (March 31, 2021: 155,582,040) equity shares of ₹ 10 each fully paid	155.87	155.58

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2022		March 31, 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	15,55,82,040	155.58	14,39,85,459	143.99
Add: Issued during the year				
- On account of Qualified Institutional Placement	-	-	1,13,15,323	11.31
- Employee Stock Option Plan	2,84,306	0.29	2,81,258	0.28
Outstanding at the end of the year	**15,58,66,346**	**155.87**	**15,55,82,040**	**155.58**

In the previous year, Pursuant to the approval accorded by the board of directors of the Company (the “Board”), at its meeting held on September 3, 2020 and the special resolution passed by the members of the Company at the Extraordinary General Meeting (EGM) held on September 26, 2020, the Capital Raising Committee of the Board (the “CRC Committee”) has, at its meeting held on October 05, 2020 approved the Qualified institutions placement of equity shares of face value ₹10 each of the Company.

Subsequently, the CRC Committee, at its meeting held on October 8, 2020, approved the allotment of 1,13,15,323 Equity Shares of face value ₹ 10 each to eligible qualified institutional buyers at the issue price of ₹ 707 per Equity Share (including a premium of ₹ 697 per Equity Share) aggregating to ₹ 7,99,99,33,361 (Rupees Seven Ninety Nine Crore Ninety Nine Lakh Thirty Three Thousand Three Hundred and Sixty One only).

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10 each fully paid				
CreditAccess India NV (Holding Company)	11,51,09,028	73.85%	11,51,09,028	73.99%
Nippon life India Trustee Limited	87,21,856	5.60%	61,05,884	3.92%

(d) Details of shareholders holding of Promoters

Particulars	March 31, 2022			March 31, 2021		
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
1) CreditAccess India NV	11,51,09,028	73.85%	-0.14%	11,51,09,028	73.99%	-5.95%

(e) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 38.

(f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-22 (No. of equity shares)	31-Mar-21 (No. of equity shares)	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	-	-	48,90,140	-
Equity shares alloted to CreditAccess India NV in lieu of conversion of compulsorily convertible debentures	-	-	-	-	1,29,87,012	-
Total	**-**	**-**	**-**	**-**	**1,78,77,152**	**-**

20 Other equity*

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	308.32	231.89
Capital reserve	49.95	49.95
Securities premium	2,268.13	2,263.13
Share options outstanding account	11.72	8.52
Retained earnings	1,235.64	929.68
Effective portion of Cash Flow Hedge	0.39	-
Debt instruments through Other Comprehensive Income	(90.22)	(3.94)
Total	**3,783.93**	**3,479.23**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2022.

Nature and purpose of reserve

20.1 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

20.2 Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

20.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5 Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropraitions to specific reserves.

20.6 Other comprehensive income

(i) Effective portion of Cash Flow Hedge

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

(ii) Debt instruments through Other Comprehensive Income

The Company has elected to recognize changes in the fair value of loans in other comprehensive income . These changes are accumulated as reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

₹ in crore

20.7

Movement of other comprehensive income for the year	March 31, 2022	March 31, 2021
Opening balance	(3.94)	(36.07)
(+) Fair value change during the year	(486.65)	(450.50)
(+) Effective portion of Cash Flow Hedge	0.39	-
(-) Impairment allowance transferred to statement of profit and loss	400.37	482.63
Closing balance	**(89.83)**	**(3.94)**

20.8 The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

21 Interest income ₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,914.94	180.77	**2,095.71**	1,615.45	242.72	**1,858.17**
Interest on Loan to subsidiary	-	3.61	**3.61**	-	-	**-**
Interest on deposits with banks and financial institutions	-	25.47	**25.47**	-	18.96	**18.96**
Total	**1,914.94**	**209.85**	**2,124.79**	**1,615.45**	**261.68**	**1,877.13**

22 Fees and commission income ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Service fees for management of assigned portfolio of loans	0.06	0.09
Service and administration charges	2.44	3.27
Distribution Income	10.72	5.39
Total	**13.22**	**8.75**

23 Net gain on fair value changes ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On trading portfolio (realised)		
- Investments	16.43	17.74
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	69.99	112.90
Total	**86.42**	**130.64**

24 Other Income ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	-	(0.01)
Miscellaneous income	1.81	3.36
Total	**1.81**	**3.35**

25 Finance costs ₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on debt securities	-	151.14	151.14	-	110.83	110.83
Interest on borrowings other than debt securities	-	626.44	626.44	-	618.56	618.56
Interest on subordinated liabilities	-	2.49	2.49	-	3.69	3.69
Other interest expense						
-Interest on lease liabilities	-	8.02	8.02	-	6.39	6.39
-Others	-	0.04	0.04	-	0.60	0.60
Total Finance costs	**-**	**788.13**	**788.13**	**-**	**740.07**	**740.07**

26 Impairment of financial instruments ₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Joint liability loans	400.37	24.20	**424.57**	482.63	100.98	**583.61**
Individual loans	-	24.87	**24.87**	-	63.29	**63.29**
Total	**400.37**	**49.07**	**449.44**	**482.63**	**164.27**	**646.90**

27 Employee benefit expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and wages	314.83	269.69
Contribution to provident and other funds	31.51	26.33
Share based payments to employees	5.45	1.96
Staff welfare expenses	1.71	1.62
Total	**353.50**	**299.60**

28 Depreciation and amortization expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
- On property, plant and equipment	9.29	7.47
- On intangible assets	4.96	4.49
- On right of use assets	11.98	11.47
Total	**26.23**	**23.43**

29 Other expenses ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Rental charges payable under operating leases (Refer Note 36)	18.15	14.99
Bank charges	3.28	4.60
Rates and taxes	9.78	7.44
Insurance	3.41	1.75
Repairs and maintenance	12.39	7.15
Electricity	3.54	2.99
Travelling and conveyance	60.78	41.29
Postage and telecommunication	7.29	10.50
Printing and stationery	4.34	4.87
Professional and consultancy charges	12.82	9.63
Remuneration to directors	0.98	0.79
Auditors remuneration (Refer Note below)	1.25	0.76
Training expenses	6.21	1.83
Corporate Social Responsibility expenses (Refer Note below)	7.72	5.69
Provision for other assets	1.59	0.20
Miscellaneous expenses**	4.77	9.36
Total	**158.30**	**123.84**

Auditors remuneration ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021 #
As auditor		
Audit fee	0.63	0.41
Limited review	0.47	0.32
In other capacity		
Certification services	0.15	0.01
Reimbursement of expenses	0.01	0.02
Total	**1.25**	**0.76**

Excludes payment amounting to ₹ 0.68 crore for services in relation to Qualified institutions placement of equity shares, which has been adjusted in securities premium.

29 Other expenses (continue)

Details of CSR expenditure ₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	7.62	7.61
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.80	5.69
c) Shortfall at the end of the year, *	1.82	1.92
d) Total of previous years shortfall	-	-

* Previous year unspent balance of ₹1.92 Crores has been fully spent during the current year.

Note:

1. The Company has deposited the unspent amount in relation to the CSR expenditure in dedicated bank account.

2. Reason for shortfall, are as below

a) Few of the projects like the Vaccination Drives, Support to physically/mentally challenged children and the self-learning center have been commenced in the last quarter of this year and the period of the project extends to the next Financial year with committed payments to be made during the next Financial Year.

b) Two ongoing projects namely Anganawadi Improvement Program and Rural development program had execution challenges due to the covid situations in certain geographies. Hence, even though the institutions were identified, and events planned, the execution got delayed and some of the event dates have been extended to next financial year.

3. For nature of CSR activities refer annual report on CSR activities in Directors report.

4. Contribution of ₹ 2.7 crore made to CreditAccess India Foundation (Section 8 Company which is subsidary of the Company).

5. The Company has entered into a Memorandum of Understanding with CreditAccess India Foundation for CSR Activities (COVID-19 pandemic support program, Community Development activity like education, health Care, livelihood and other support activity).

** The Company has reversed additional provision carried over and above requirements as per Section 135 Companies Act, 2013 to the extent of ₹ 4.96 Crore during the current year.

30 Income tax

₹ in crore

(A)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current tax	113.56	93.44
Deferred tax	16.94	(41.54)
Total tax charge	**130.50**	**51.90**

(B) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Profit before tax	512.64	194.29
At India's statutory income tax rate of 25.17% (2021: 25.17%)	129.03	48.90
Non deductible expenses		
Donations	(1.27)	0.48
CSR	1.94	2.02
Employee stock option cost	1.38	0.50
Others	(0.58)	-
Income tax expense reported in statement of profit and loss	**130.50**	**51.90**

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

(C) Movement in deferred tax balances for the year ended March 31, 2022

₹ in crore

Particulars	**Net balance April 1, 2021**	**(Charge)/credit in profit and loss**	**Recognised in OCI**	**Recognised in other equity**	**Net balance March 31, 2022**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.93	0.96	-	-	3.89	3.89	-
Remeasurement gain / (loss) on defined benefit plan	3.93	1.20	-	-	5.13	5.13	-
Impairment allowance for loans	121.34	(27.53)	-	-	93.81	93.81	-
Expenses incurred on Initial Public Offering	2.92	(1.46)	-	-	1.46	1.46	-
Receivable from assignment of portfolio	(22.48)	2.87	-	-	(19.60)	-	(19.60)
Other items	6.36	7.01	28.24	-	41.61	41.61	-
Net Deferred tax assets / (liabilities)	**115.01**	**(16.94)**	**28.24**	**-**	**126.30**	**145.90**	**(19.60)**

(D) Movement in deferred tax balances for the year ended March 31, 2021

₹ in crore

Particulars	**Net balance April 1, 2020**	**(Charge)/credit in profit and loss**	**Recognised in OCI**	**Recognised in other equity**	**Net balance March 31, 2021**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.28	0.65	-	-	2.93	2.93	-
Remeasurement gain / (loss) on defined benefit plan	3.14	0.79	-	-	3.93	3.93	-
Impairment allowance for loans	58.05	63.29	-	-	121.34	121.34	-
Expenses incurred on Initial Public Offering	4.38	(1.46)	-	-	2.92	2.92	-
Receivable from assignment of portfolio	(6.89)	(15.59)			(22.48)	-	(22.48)
Other items	23.31	(6.14)	(10.80)	-	6.36	6.36	-
Net Deferred tax assets / (liabilities)	**84.27**	**41.54**	**(10.80)**	**-**	**115.01**	**137.49**	**(22.48)**

(E) The following tables provides the details of income tax assets and income tax liabilities as at:

(a) Current tax assets (net)

₹ in crore

Particulars	**March 31, 2022**	**March 31, 2021**
Income tax assets (A)	420.35	593.58
Income tax liabilities (B)	390.45	564.11
Total (A-B)	**29.90**	**29.47**

(b) Current tax Liability (net)

₹ in crore

Particulars	**March 31, 2022**	**March 31, 2021**
Income tax liabilities (A)	114.05	-
Income tax assets (B)	112.49	-
Total (A-B)	**1.56**	**-**

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

31 Employee benefits

A. Defined benefit plan
Gratuity
The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees . Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity is a funded plan and the Company makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity fund.

B. Defined contribution plan
The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Company are administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Company recognised ₹ 20.25 crores (March 31, 2021: ₹ 15.31 crores) for Provident fund contributions and ₹ 4.88 crores (March 31, 2021: ₹ 4.75 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

31.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	18.28	14.26
Current service cost	5.04	4.30
Interest cost	1.23	0.94
Past service cost	-	-
Benefits settled	(1.24)	(0.79)
Actuarial (gains) / losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	2.73	0.27
- Changes in demographic assumptions	(0.02)	0.48
- Changes in financial assumptions	(3.05)	(1.18)
Obligation at the end of the year	**22.97**	**18.28**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	14.08	10.57
Interest income on plan assets	1.09	0.82
Re-measurement- actuarial gain	(0.01)	(0.21)
Return on plan assets recognised in other comprehensive income	-	-
Contributions	4.20	3.69
Benefits settled	(1.24)	(0.79)
Plan assets at the end of the year, at fair value	**18.12**	**14.08**
Net defined benefit liability	**4.85**	**4.20**

31.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Current service cost	5.04	4.30
Interest cost	0.14	0.12
Net gratuity cost	**5.18**	**4.42**

31.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	2.73	0.27
- Changes in demographic assumptions	(0.02)	0.48
- Changes in financial assumptions	(3.05)	(1.18)
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.01	0.21
Total actuarial gain / (losses) included in OCI	**(0.33)**	**(0.22)**

31.4 Plan assets

Particulars	March 31, 2022	March 31, 2021
Funds managed by insurer	100%	100%

31.5 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.96%	6.79%
Future salary growth	8.00%	10.00%
Attrition rate	23.01%	22.85%
Average term of liabilty (in years)	6.57	7.79

31.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crore

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.57)	1.83	(1.45)	1.72
Future salary growth (1% movement)	1.58	(1.39)	1.48	(1.29)
Attrition rate (1% movement)	(0.30)	0.32	(0.48)	0.54

31.7 Expected contribution to the plan for the next annual reporting period is ₹ 7.55 crores (March 31, 2021 ₹ 5.74 crores).

The weighted average duration of the defined benefit obligation is 6.57 years (March 2021-7.79 years). The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2022								
Gratuity	2.79	2.29	1.95	1.59	1.37	4.45	31.49	45.92
Total	**2.79**	**2.29**	**1.95**	**1.59**	**1.37**	**4.45**	**31.49**	**45.92**
31 March, 2021								
Gratuity	2.17	1.67	1.41	1.22	1.02	3.57	29.17	40.23
Total	**2.17**	**1.67**	**1.41**	**1.22**	**1.02**	**3.57**	**29.17**	**40.23**

31.8 Mortality:
Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate.

31.9 Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields -
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk -
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy -
The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

31.10 The Code on Social Security, 2020
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

32 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2022

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,401.16	-	**1,401.16**
(b)	Bank balance other than cash and cash equivalents	133.15	0.01	**133.16**
(c)	Loans	7,157.73	5,043.87	**12,201.60**
(d)	Investments	-	663.49	**663.49**
(e)	Other financial assets	92.16	19.28	**111.44**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	29.90	**29.90**
(b)	Deferred tax assets (net)	-	126.30	**126.30**
(c)	Property, plant and equipment	-	26.15	**26.15**
(d)	Right to use assets	-	74.61	**74.61**
(e)	Intangible assets	-	14.28	**14.28**
(f)	Intangible assets under development	-	3.07	**3.07**
(g)	Other non-financial assets	9.77	0.17	**9.94**
	Total assets	**8,793.97**	**6,001.13**	**14,795.10**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	1.66	-	**1.66**
(b)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	32.77	-	**32.77**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	210.95	0.13	**211.08**
(c)	Borrowings *			
	- Debt securities	533.73	839.08	**1,372.81**
	- Borrowings (other than debt securities)	5,123.05	3,989.20	**9,112.25**
	- Subordinated liabilities	-	-	**-**
(d)	Other financial liabilities	13.74	73.18	**86.92**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	1.56	-	**1.56**
(b)	Provisions	11.41	13.70	**25.11**
(c)	Other non-financial liabilities	11.14	-	**11.14**
	Total liabilities	**5,940.01**	**4,915.29**	**10,855.30**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

(B) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,874.59	-	**1,874.59**
(b)	Bank balance other than cash and cash equivalents	11.02	60.36	**71.38**
(c)	Other receivables	-	-	**-**
(d)	Loans	6,122.49	3,595.33	**9,717.82**
(e)	Investments	-	662.93	**662.93**
(f)	Other financial assets	86.94	24.53	**111.47**
				-
(2)	**Non-financial assets**			**-**
(a)	Current tax assets (net)	-	29.47	**29.47**
(b)	Deferred tax assets (net)	-	115.01	**115.01**
(c)	Property, plant and equipment	-	18.37	**18.37**
(d)	Right to use assets	-	66.66	**66.66**
(e)	Intangible assets	-	15.73	**15.73**
(f)	Intangible assets under development	-	0.62	**0.62**
(g)	Other non-financial assets	11.60	1.14	**12.74**
	Total assets	**8,106.64**	**4,590.15**	**12,696.79**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	18.32	-	**18.32**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	151.94	-	**151.94**
(b)	Borrowings*			
	- Debt securities	400.45	1,105.59	**1,506.04**
	- Borrowings (other than debt securities)	4,284.26	2,965.42	**7,249.68**
	- Subordinated liabilities	25.00	-	**25.00**
(c)	Other financial liabilities	15.15	66.48	**81.63**
(2)	**Non-financial liabilities**			
(a)	Provisions	8.52	11.16	**19.68**
(b)	Other non-financial liabilities	9.69	-	**9.69**
	Total liabilities	**4,913.33**	**4,148.65**	**9,061.98**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders

33 Transfer of financial assets

a) Transferred financial assets that are not derecognised in their entirety.

The Company has not transferred any assets that are not derecognised in their entirety.

b) Transferred financial assets that are derecognised.

The Company has assigned loans (earlier measured at FVTOCI) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

₹ in crore

Particulars	March 31,2022	March 31,2021
Direct assignments		
Carrying amount of derecognised financial assets	1,120.30	1,203.83
Gain from derecognition	75.69	100.14

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

c) Transferred financial assets that are derecognised in their entirety.

The Company has not transferred any assets that are derecognised during the year in their entirety where the Company continues to have continuing involvement.

34 Contingent liabilities

Contingent liabilities not provided for in respect of the below: ₹ in crore

(a)

Particulars	March 31, 2022	March 31, 2021
Performance security provided by the Company pursuant to service provider agreement	0.10	0.11

(b) Pertaining to Assessment Year 2017-18 (Financial year 2016-17)
The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.2.62 crores (net demand after adjusting of payment made is ₹ 1.16 crore) from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Company is of view that the said demand is not tenable and expects to succeed in its appeal.

(c) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

35 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
For purchase / development of computer software	3.91	0.87

36 Leases

36.1 Company as a leasee

The company's leased assets mainly comprise office building and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and server leases are ranging from 1-10 years. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

36.2 Total lease liabilities are analysed as follows:

₹ in crore

Lease liabilities	March 31, 2022	March 31, 2021
Current	11.11	7.88
Non-current	73.71	66.48
Total	**84.82**	**74.36**

36.3 Amounts recognised in the statement of profit and loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Depreciation charge of right-of-use assets		
Buildings	4.08	3.64
Computers	7.90	7.83
Total	**11.98**	**11.47**
Expense relating to short-term leases (included in other expenses)	18.15	14.99
Interest on lease liabilities (included in finance costs)	8.02	6.39

36.4 Total cash outflow for leases and commitments for short-term leases

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Total cash outflow for leases	35.65	28.93
Total commitments for short-term leases	10.48	6.44

36.5 The Company had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2022	March 31, 2021
Computers	-	7.59

36.6 The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been made based on management's forecasts and could, in reality be different from expectations:

₹ in crore

Maturity analysis:	March 31, 2022	March 31, 2021
Less than 1 year	19.10	15.22
Between 1 and 2 years	17.72	14.83
Between 2 and 5 years	49.89	41.00
More than 5 years	31.19	37.65
Total	**117.90**	**108.70**

36.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Balance as at April 1, 2021	74.36	60.11
Additions during the period	19.93	25.20
Finance cost incurred during the period	8.02	6.39
Payment of lease liabilities	(17.49)	(17.34)
Balance as of March 31, 2022	**84.82**	**74.36**

Note: Refer Note 10(A) for movement in right to use of assets.

37 Related party transactions

Names of the related parties ***(as per IndAS – 24)***

Holding Company	CreditAccess India NV
Subsidiary Company	Madura Micro Finance Limited ("MMFL")
Subsidiary Company	CreditAccess India Foundation
Step-down Subsidiary	Madura Micro Education Private Limited
Chairman & Nominee Director	Mr. Paolo Brichetti (upto July 30,2021)
Managing Director & CEO (KMP)	Mr. Udaya Kumar Hebbar
Chairman & Lead Independent Director	Mr. George Joseph (Chairman from August.11,2021)
Key management personnel - Director-Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020)	Mr. Diwakar B R (Resigned on November 06, 2020)
Independent Director	Mr. R Prabha (Cessation of office on November 03, 2020)
Independent Director	Ms. Sucharita Mukherjee
Independent Director	Mr. Anal Kumar Jain (upto June 25, 2020)
Independent Director	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Independent Director	Ms. Lilian Jessie Paul (w.e.f. September 16, 2020)
Key Management Personnel	Mr. Ganesh Narayanan, Deputy CEO (w.e.f. July 01, 2021)
Key Management Personnel	Mr. S Balakrishna Kamath, Chief Financial Officer (w.e.f. November 7, 2020)
Key Management Personnel	Mr. M J Mahadev Prakash, Company Secretary

₹ in crore

Particulars	Key management personnel	
	March 31, 2022	March 31, 2021
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	2.85	2.21
Employee Stock Options exercised	0.59	0.11
Mr. Diwakar B R		
Salary and perquisites	-	1.46
Employee Stock Options exercised	-	0.07
Mr. Balakrishna Kamath		
Salary and perquisites	1.10	0.33
Employee Stock Options exercised	0.15	-
Mr. M J Mahadev Prakash		
Salary and perquisites	0.58	0.45
Employee Stock Options exercised	-	-
Mr. Ganesh Narayanan		
Salary and perquisites	1.27	-
Employee Stock Options exercised	-	-
Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.		
Sitting fees	**March 31, 2022**	**March 31, 2021**
Mr. R Prabha	-	0.06
Mr. Paolo Brichetti	0.01	0.08
Mr. Sumit Kumar	0.04	0.06
Mr. Massimo Vita	0.06	0.07
Mr. Anal Kumar Jain	-	0.02
Ms. Sucharita Mukherjee	0.05	0.04
Mr. George Joseph	0.10	0.09
Mr. Manoj Kumar	0.09	0.08
Ms. Lilian Jessie Paul	0.06	0.03
	Other related parties	
Commission	**March 31, 2022**	**March 31, 2021**
Mr. R Prabha	0.01	0.07
Mr. Anal Kumar Jain	(0.04)	0.06
Ms. Sucharita Mukherjee	0.12	0.07
Mr. George Joseph	0.17	0.07
Ms. Lilian Jessie Paul	0.14	-
Mr. Manoj Kumar	0.17	0.06

37 Related party transactions (continued)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Transactions during the year		
Madura Micro Finance Limited		
(i) Investment in subsidiary *	0.55	1.49
(ii) Sub-debt		-
(a) 'Loan given	150.00	-
(b) Interest income	3.61	-
(iii) Transaction in the nature of reimbursement		
(a) Transfer of license	1.59	0.48
(b) others	3.25	0.64
CreditAccess India Foundation		
(i) Grant paid for CSR expenses	2.70	-
(ii) Rent received	0.01	-
(iii) Transaction in the nature of reimbursement		
(a) Reimbursement expenses	0.02	-

* Represents further acquisition of stake from previous shareholders of Madura Micro Finance Limited.

₹ in crore

Particulars	Holding Company	
	March 31, 2022	March 31, 2021
Balances at the end of the year		
Subsidiary Company		
Subordinated Loan to subsidiary	149.58	-
Investment in subsidiary	663.28	662.73
	Other related parties	
Sitting fees payable	**March 31, 2022**	**March 31, 2021**
Mr. Paolo Brichetti	-	0.02
Mr. Massimo Vita	0.01	0.02
Mr. Sumit Kumar	-	0.01
	Other related parties	
Commission payable	**March 31, 2022**	**March 31, 2021**
Mr. R Prabha	-	0.07
Mr. Anal Kumar Jain	-	0.06
Ms. Sucharita Mukherjee	0.10	0.06
Mr. George Joseph	0.12	0.07
Ms. Lilian Jessie Paul	0.08	-
Mr. Manoj Kumar	0.10	0.03
	Subsidiary Company	
License and other service charges receivables	**March 31, 2022**	**March 31, 2021**
Madura Micro Finance Limited	1.34	1.12
CreditAccess India Foundation	0.02	-

38 Employee stock options

Stock options: The Company has provided share based payments to its employees under the 'CAGL Employees Stock Option Plan – 2011' (upto July 8, 2020 name was 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'). The various Tranches I, II, III, IV, V,VI, VII and VIII represent different grants made under the plan. During year ended March 31, 2022, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1, 2018	Jan 1, 2021	Jan 1, 2022
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jan 29, 2021	Mar 23, 2022
Number of Options granted	7,16,676	6,31,339	4,43,000	4,31,000	5,21,000	9,71,000	3,75,900	10,29,300
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:								
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from the date of vesting	
Vesting conditions	Employee to be in service at the time of vesting							
Weighted average remaining contractual life (years)								
-I	-	-	-	-	-	0.75	3.76	4.76
-II	-	-	-	0.25	0.75	1.75	4.76	5.76
-III	-	-	-	1.25	1.76	2.76	5.76	6.76
-IV	-	-	0.17	2.25	2.76	3.76	6.76	7.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91	595.68
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	224.32	167.40

Additional disclosures for Tranche VIII - granted during the current year and Tranche VII- in previous year:

Particulars	Tranche VIII	Tranche VII
Share price on the date of Grant (in Rs.)	597.30	768.85
Expected volatality (%)		
I	44.44%	58.89%
II	43.38%	52.16%
III	51.03%	49.37%
IV	49.42%	49.82%
Risk free interest rate (%)		
I	5.10%	4.34%
II	5.65%	4.99%
III	6.12%	5.62%
IV	6.46%	6.03%
Fair value per option (in Rs.)		
I	116.67	184.06
II	144.49	207.75
III	193.85	235.30
IV	214.58	270.19

38 Employee stock options (continued)

Reconciliation of options:

Particulars	March 31, 2022	March 31, 2021
Tranche I		
Options outstanding at the beginning of the year	-	-
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	4,000	7,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,500	2,000
Expired during the year	2,500	1,500
Outstanding at the end of the year	-	4,000
Exercisable at the end of the year	-	4,000
Tranche III		
Options outstanding at the beginning of the year	7,500	38,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,500	29,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	4,500	7,500
Exercisable at the end of the year	4,500	7,500
Tranche IV		
Options outstanding at the beginning of the year	1,83,250	2,52,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	26,500	69,000
Expired during the year	-	-
Outstanding at the end of the year	1,56,750	1,83,250
Exercisable at the end of the year	1,56,750	1,83,250
Tranche V		
Options outstanding at the beginning of the year	3,13,950	3,56,300
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	98,700	34,850
Expired during the year	-	7,500
Outstanding at the end of the year	2,15,250	3,13,950
Exercisable at the end of the year	2,15,250	3,13,950
Tranche VI		
Options outstanding at the beginning of the year	5,20,343	6,88,525
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,54,256	1,45,908
Expired during the year	11,826	22,274
Outstanding at the end of the year	3,54,261	5,20,343
Exercisable at the end of the year	3,54,261	3,16,591
Tranche VII		
Options outstanding at the beginning of the year	3,75,900	-
Granted during the year	-	3,75,900
Forfeited during the year	-	-
Exercised during the year	1,850	-
Expired during the year	41,925	-
Outstanding at the end of the year	3,32,125	3,75,900
Exercisable at the end of the year	82,150	-
Tranche VIII		
Options outstanding at the beginning of the year	-	-
Granted during the year	10,29,300	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	10,29,300	-
Exercisable at the end of the year	-	-

39 Revenue from contracts with customers

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(A) Type of services		
Service fees for management of assigned portfolio of loans	0.06	0.09
Service and administration charges	2.44	3.27
Distribution Income	10.72	5.39
Total	**13.22**	**8.75**

(B) Geographical markets

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
India	13.22	8.75
Outside India	-	-
Total	**13.22**	**8.75**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Services transferred at a point in time	13.22	8.75
Services transferred over time	-	-
Total	**13.22**	**8.75**

Receivables

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Distribution income	4.02	1.07

40 Financial instruments – fair values

40.1 Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crore

Financial assets/ Liabilities (assets and Liabilities measured at fair value)	March 31, 2022			March 31, 2021		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Loans (measured at FVOCI)	-	-	11,246.06	-	-	8,893.33
Investments *	-	-	0.20	-	-	0.20
Total	**-**	**-**	**11,246.26**	**-**	**-**	**8,893.53**
Financial Liabilities						
Derivative financial instruments	-	1.66	-	-	-	-
Total	**-**	**1.66**	**-**	**-**	**-**	**-**

* Investment above does not include investment in subsidiary, which is measured at cost in accordance with Ind AS 27.

Fair values of Loans designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

₹ in crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2022				March 31, 2021			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	805.96	-	-	802.11	824.49	-	-	834.33
Subordinated Loan to subsidiary	149.58	-	-	149.58	-	-	-	-
Total	**955.54**	**-**	**-**	**951.69**	**824.49**	**-**	**-**	**834.33**
Debt securities	1,372.81	-	-	1,392.39	1,506.04	-	-	1,539.94
Borrowings (other than debt securities)	9,112.25	-	-	9,169.32	7,249.68	-	-	7,319.46
Subordinated liabilities	-	-	-	-	25.00	-	-	25.93
Lease Liability	84.82	-	-	89.12	74.36	-	-	74.74
Total	**10,569.88**	**-**	**-**	**10,650.83**	**8,855.08**	**-**	**-**	**8,960.07**

Note:

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets/liabilities and trade and other payables approximate the fair value because of their short-term nature.

There were no transfers between Level 3 and Level 1/Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

Financial liabilities measured at amortised cost

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

41 Risk Management

41.1 Introduction and risk profile

CreditAccess Grameen Limited (“Company”) is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children’s education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

41.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Company. The Board reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments are accountable to a Management Level Risk Committee (MLRC) comprising of MD&CEO, CFO, CAO, Deputy CEO & CBO, CTO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company’s policy is that risk management processes throughout the Company are audited by the Internal Audit function, which examines both the adequacy of the procedures and the Company’s compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

41.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

41.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.
Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.
As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.
All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC.
The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

41.1.d Risk Management Strategies

Excessive risk concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:
• Low cost operations and low pricing for customers.
• Customer centric approach, high customer retention.
• Rural focus.
• Systematic customer awareness activities.
• High social focused activities.
• Adherence to client protection guidelines.
• Robust grievance redressal mechanism.
• Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
• District centric approach.
• District exposure cap.
• Restriction on growth in urban locations.
• Maximum disbursement cap per loan account.
• Maximum loan exposure cap per customer.
• Diversified funding resources.

Operational & HR Risk mitigation measures:
• Stringent customer enrolment process.
• Multiple products.
• Proper recruitment policy and appraisal system.
• Adequately trained field force.
• Weekly & fortnightly collections – higher customer touch, lower amount instalments.
• Multilevel monitoring framework.
• Strong, Independent and fully automated Internal Audit function.
• Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
• Diversified funding resources.
• Asset liability management.
• Effective fund management.
• Maximum cash holding cap.

Expansion risk mitigation measures:
• Contiguous growth.
• District centric approach.
• Rural focus.
• Branch selection based on census data & credit bureau data.
• Three level survey of the location selected.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Company. Credit risk is the core business risk of the Company. The Company therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Company is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Company has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the company follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in company.
Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The company ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each company's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS tagging and KYC checks.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

41.2 Impairment assessment
The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

41.2.a Definition of default, significant increase in credit risk and stage assessment
For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 60 / 90 days on any material credit obligation to the company.

Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Company granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

The accounts which were restructured under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage-2.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(i) Joint liability loans (JLG)
Unlike banks which have more of monthly repayments, the Company offers products with primarily weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Company has identified the following stage classification to be the most appropriate for its JLG :
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Individual loans
Since Individual loans are on monthly repayment model, the Company has identified the following stage classification to be the most appropriate for these loans :
Stage 1: 0 to 30 DPD.
Stage 2: 30 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

41.2.b Probability of Default ('PD')
(i) Joint Liability Loans (JLG)
PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

(ii) Individual loans
Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a which is based on management judgement.

41.2.c Exposure at default (EAD)
Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

41.2.d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Joint liability loans (JLG)

LGD is computed as below:

The Company determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate.

In estimating LGD, the Company reviews macro-economic developments taking place in the economy. A select group of Stage 2 and Stage3 loans exhibiting specific payment pattern has been applied an LGD which is lower than the regular LGD estimate.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

41.2.e Grouping financial assets measured on a collective basis

The Company believes that the Joint Liability Group (JLG) loans have shared risk characteristics (i.e. homogeneous) which are different from those of Individual loans (IL). Therefore, JLG and IL are treated as two separate groups for the purpose of determining impairment allowance.

41.2.f The Company's Loan book consists of a large number of customers spread over diverse geographical area, hence the Company is not exposed to concentration risk with respect to any particular customer.

41.2.g Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

41.2.h Pursuant to the RBI circular dated November 12, 2021 - " Prudential norms on Income Recognition, Asset-Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", the Company changed its NPA definition to comply with the norms/ changes for regulatory reporting, as applicable. This has resulted in classification of loans amounting to 3.48 Crore as additional non-performing assets (Stage 3) as at March 31, 2022. However, the said change does not have a material impact on the financial results for the quarter / year ended March 31, 2022. On 15 February 2022, the RBI allowed deferment pertaining to the upgradation of Non Performing accounts till 30 September 2022. However, the Company has not opted for such deferment and continues to align Stage 3 definition to revised NPA definition.

41.3 Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

The Company's objectives when managing capital are to -
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

Particulars	As at March 31, 2022	As at March 31, 2022
Tier I CRAR	25.87%	30.50%
Tier II CRAR	0.67%	1.25%
	26.54%	**31.75%**

41.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CAGL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 41.3 with respect to regulatory capital of the Company as at the reporting dates.

Liquidity assessment as on March 31, 2022**

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings *									
Debt securities	106.44	39.04	82.11	166.71	213.09	929.32	-	-	**1,536.71**
Borrowings (other than debt securities)	444.95	405.01	461.86	1,770.62	2,596.96	4,141.40	161.34	-	**9,982.14**
Subordinated liabilities	-	-	-	-	-	-	-	-	**-**
Total	**551.39**	**444.05**	**543.97**	**1,937.33**	**2,810.05**	**5,070.72**	**161.34**	**-**	**11,518.85**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
**For Maturity pattern of assets- Refer Note 46 (h).

Liquidity assessment as on March 31, 2021**

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	3.13	12.84	59.23	104.03	321.27	1,150.04	114.63	-	**1,765.17**
Borrowings (other than debt securities)	400.29	329.89	445.35	1,206.75	2,352.27	3,036.07	192.87	-	**7,963.49**
Subordinated liabilities	0.30	0.31	0.30	0.93	25.63	-	-	-	**27.47**
Total	**403.72**	**343.04**	**504.88**	**1,311.71**	**2,699.17**	**4,186.11**	**307.50**	**-**	**9,756.13**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
**For Maturity pattern of assets- Refer Note 46 (h).

41.5 Market Risk

41.5.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

41.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

In case of CAGL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only some of the liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2021-22	Effect on profit / loss and equity for the year 2020-21
Borrowings			
Increase in basis points	+ 25	(12.01)	(11.21)
Decrease in basis points	- 25	12.01	11.21

41.5.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract.

Particulars	March 31, 2022	March 31, 2021
	USD	USD
Liability – External Commercial Borrowings	1,50,00,000	-
Assets – Crorss Currency Interest rate Swap Contract	1,50,00,000	-

41.5.4 Hedging Policy

The Company's Hedging Policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationship where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and qualitative assessment of effectiveness is performed.

In respect of Interest rate swaps, there is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

Impact of hedge on the balance sheet ₹ in crore

Particulars	Notional amount	Carrying amount of hedging instrument assets	Carrying amount of hedging instrument Liability
INR USD CCIRS	111.75	-	1.66

41.5.5 Changes in liabilities arising from financing activities ₹ in crore

Particulars	As at March 31,2021	Cash flows	Others	As at March 31, 2022
Debt securities	1,506.04	(137.84)	4.61	1,372.81
Borrowings (other than debt securities)	7,249.68	1,861.68	0.89	9,112.25
Subordinated liabilities	25.00	(25.00)	-	-
Lease liabilities	74.36	(17.49)	27.95	84.82
Total liabilities from financing activities	**8,855.08**	**1,681.35**	**33.45**	**10,569.88**

₹ in crore

Particulars	As at March 31,2020	Cash flows	Others	As at March 31, 2021
Debt securities	655.07	825.84	25.13	1,506.04
Borrowings (other than debt securities)	7,142.49	108.39	(1.20)	7,249.68
Subordinated liabilities	25.00	-	-	25.00
Lease liabilities	60.11	(17.35)	31.60	74.36
Total liabilities from financing activities	**7,882.67**	**916.88**	**55.53**	**8,855.08**

42 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2022 or March 31, 2021.

43 Impact of COVID 19

Expected Credit Losses

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the Covid-19 pandemic during the year ended 31 March 2022.

Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the Company holds an aggregate provision of ₹ 403.84 crores against the advances which includes provision of ₹ 42.16 crores for the accounts restructured under the RBI resolution framework.

44 Business combination

On March 18, 2020, the Company had completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI). During FY21, the Company has acquired 12,241 equity shares, representing 0.17% of the equity share capital of MMFL. Further, during the current year, the Company has acquired 4500 equity shares, representing 0.06% of the equity share capital of MMFL, taking the aggregate shareholding of the Company in MMFL as on March 31, 2022 to 76.31%.

The Board of Directors of the Company in its meeting held on November 27, 2019 has approved the scheme of amalgamation of MMFL with the Company, subject to requisite approvals from various regulatory and statutory authorities, respective shareholders and creditors.

Based on the Order by the Hon'ble National Company Law Tribunal (NCLT), Bengaluru dated February 25, 2022, a Meeting of the equity shareholders of the Company was convened on April 25, 2022 for obtaining the approval to the Scheme of Amalgamation. Further, based on the Order by the NCLT Chennai dated March 29, 2022, a meeting of the equity shareholders of MMFL was convened on May 04, 2022. The above Scheme has been approved by the equity shareholders of both the Companies and is now subject to the subsequent approvals of the NCLT Bengaluru and Chennai.

45 Earnings per share (EPS)

The following reflects the profit after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2022	March 31, 2021
Net profit after tax as per statement of profit and loss (₹ in crores)	382.14	142.39
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	382.14	142.39
Weighted average number of equity shares in calculating basic EPS	15,57,23,606	14,95,40,013
Stock options granted under ESOP	6,22,097	10,03,028
Weighted average number of equity shares in calculating dilutive EPS	15,63,45,702	15,05,43,041
Earnings per share	24.54	9.52
Dilutive earnings per share	24.44	9.46
Nominal value per share	10.00	10.00

46 Disclosures pursuant to the Master Direction- Non-Banking Financial Company-Systematically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time ('the Master Directions') issued by the RBI

a. Capital to risk assets ratio ('CRAR'):

₹ in crore

Particulars	March 31, 2022	March 31, 2021
CRAR-Tier I Capital (%)	25.87%	30.50%
CRAR-Tier II Capital (%)	0.67%	1.25%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

b. Investments

₹ in crore

Particulars	March 31, 2022	March 31, 2021
1. Value of Investments		
(i) Gross value of investments		
(a) in India	663.49	662.93
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	663.49	662.93
(b) outside India	-	-
2. Movement of provision held towards depreciation		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provision	-	-
(iv) Closing balance	-	-

c. Derivatives

(I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
(i) The notional principal of swap agreements	111.75	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1.66	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	1.66	-

(II) Exchange Traded Interest Rate (IR) Derivatives:

The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2022 (Previous year: NIL).

(III) Disclosures on Risk Exposure in Derivatives

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI.

Qualitative Disclosure

₹ in crore

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional principal amount) for Hedeging	111.75	NIL
(ii) Market to Market position		
(a) Asset (+)	6.50	-
(b) Liability (-)	(8.16)	-
(iii) Credit exposure	111.75	-
(iv) Unhedged exposure	NIL	-

The Company has no unhedged foreign currency exposure as on March 31, 2022 (March 31, 2021: Nil).

d. Disclosure related to securitization

During the year the Company has not transferred any loans through securitization.

₹ in crore

Particulars	March 31, 2022	March 31, 2021
No of SPVs sponsored by the NBFC for securitization transactions	-	-
Amount of securitized assets as per books of SPV sponsored by NBFC	-	-
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	-	-
a. Off-balance sheet exposure		
• First loss	-	-
• Others	-	-
b. On-balance sheet exposure		
• First loss – cash collateral	-	-
• Others	-	-
Amount of exposures other than MRR		
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
• First loss	-	-
• Loss	-	-
ii. Exposure to third party transactions		
• First loss	-	-
• Others	-	-
b. On-balance sheet exposure		
i. Exposure to own securitizations		
• Others	-	-
ii. Exposure to third party transactions		
• First loss	-	-
• Others	-	-

e. Details of financial assets sold to securitization / reconstruction company for asset reconstruction:

The Company has not sold any financial asset to securitization / reconstruction company for asset reconstruction in the current and previous year.

f. Details of assignment transactions:

The Company has undertaken 5 assignment transactions during the current year (March 31, 2021: 4 transactions).

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Number of loans assigned	3,74,239	3,93,980
Aggregate value (net of provisions) of accounts sold	1,120.30	1,203.83
Aggregate consideration *	1,120.30	1,203.83
Aggregate gain over net book value	75.69	100.14

* this represents principal amount outstanding as at the date of transaction adjusted for any specific provisions.

g. Details of non-performing financial asset purchased / sold:

The Company has not purchased / sold any non-performing financial assets in the current and previous year.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

h. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2022: ₹ in crore

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	36.27	116.98	364.12	387.87	482.07	1,742.75	2,526.72	4,680.17	148.11	-	**10,485.06**
-Other than foreign currency liability	36.27	116.98	364.12	387.87	482.07	1,742.75	2,523.35	4,635.86	79.72	-	**10,368.98**
- Foreign currency liability	-	-	-	-	-	-	3.37	44.32	68.40	-	**116.08**
Advances #	151.17	142.11	329.22	662.30	749.82	1,898.44	3,325.89	4,854.42	59.80	149.81	**12,322.98**
Investments	-	-	-	-	-	-	-	-	-	663.49	**663.49**

Note applicable for FY 2021-22

1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
2. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

Includes subordinated debt given to MMFL of ₹ 149.58 crore with maturity period over 5 years.

Maturity pattern of assets and liabilities as on March 31, 2021: ₹ in crore

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	**35.58**	**139.28**	**199.83**	**300.09**	**459.18**	**1,138.10**	**2,437.65**	**3,784.47**	**286.54**	**-**	**8,780.72**
-Other than foreign currency liability	35.58	139.28	199.83	300.09	459.18	1,138.10	2,437.65	3,784.47	286.54	-	**8,780.72**
- Foreign currency liability	-	-	-	-	-	-	-	-	-	-	**-**
Advances	142.24	122.97	319.24	552.07	637.23	1,603.34	2,843.95	3,494.21	126.78	-	**9,842.03**
Investments	-	-	-	-	-	-	-	-	-	662.93	**662.93**

Note applicable for FY 2020-21

1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
2. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

i. Exposures:
The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

j. Details of Financing of Parent Company Products
The Company was not involved in the financing of Parent Company products.

k. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC
The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year.

l. Unsecured Advances
The Company has not given any Loans and advances against intangible securities during the year.

m. 'Registration obtained from other financial regulators:

Regulator - Insurance Regulator and Development Authority	Registration No.	Validity
Corporate Agents for :		
- HDFC Life Insurance Company Limited	CA0642	March 15, 2022 to March 14, 2025
- ICICI Prudential Life Insurance Company Limited		
- Kotak Mahindra Life Insurance Company Limited		

n. Disclosure of penalties imposed by RBI and other regulators:
No penalties were imposed by RBI and other regulators during current and previous year.

o. Ratings assigned by credit rating agencies and migration of ratings:

Particulars	Name of rating agency	Date of rating	Rating / Previous year rating	Borrowing limit / conditions imposed by rating agency (₹ in crores)	Valid up to
Long-term debt	ICRA	24-Dec-21	[ICRA]A+(Stable)/ [ICRA]A+(Stable)	3,500.00	24-Dec-22
Long-term debt	India Ratings and Research	10-Jan-22	Ind A+ (Stable) /Ind A+ (Stable)	2,000.00	10-Jan-23
Long-term debt	CRISIL	24-Sep-21	CRISIL A+ (Stable)/CRISIL A+ (Stable)	2,000.00	23-Sep-22
Non-convertible debentures	ICRA	24-Dec-21	[ICRA]A+(Stable)/ [ICRA]A+(Stable)	1,022.24	24-Dec-22
Non-convertible debentures	ICRA	24-Dec-21	[ICRA]A+(Stable)/ NA	300.00	24-Dec-22
Non-convertible debentures	India Ratings and Research	10-Jan-22	Ind A+ (Stable)/ Ind A+ (Stable)	100.00	10-Jan-23
Non-convertible debentures	CRISIL	24-Sep-21	CRISIL A+ (Stable)/CRISIL A+ (Stable)	25.00	23-Sep-22
Non-convertible debentures	Brickwork Ratings	30-Nov-21	BWR A+ (Stable)/ BWR A+ (Positive)	100.00	10-Jun-22
Commercial paper	ICRA	24-Dec-21	[ICRA]A1+ / [ICRA]A1+	500.00	24-Dec-22
PP-MLD	ICRA	24-Dec-21	PP-MLD[ICRA]AA+(CE)(Stable)/PP-MLD[ICRA]AA+(CE)(Stable)	50.00	24-Dec-22
PP-MLD	ICRA	24-Dec-21	PP-MLD[ICRA]AA+(CE)(Stable)/NA	100.00	24-Dec-22
Organization grading	CRISIL	16-Oct-21	M1C1/M1C1	NA	15-Oct-22

p. Provisions and contingencies (shown under the head expenditure in statement of profit and loss):

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Impairment of financial instruments	**449.44**	**646.90**
-Provision for Stage 1 & 2	484.68	441.07
-Provision for Stage 3	(35.24)	205.83
Provision for income tax	113.56	93.44
Provision for gratuity	5.19	4.42
Provision for leave encashment and availment	10.94	7.36
Provision fraud and misappropriation (net of recoveries)	0.04	0.07
Provision for other assets (net)	1.55	0.13
Total	**580.72**	**752.32**

q. Drawdown from reserves:
There has been no drawdown from reserves during the year ended March 31, 2022 (previous year: Nil).

r. Concentration of advances, exposures and NPAs *

₹ in crore

Particulars	March 31, 2022	March 31, 2021 *
Concentration of advances		
Total advances to twenty largest borrowers	1.06	0.82
(%) of advances to twenty largest borrowers to total advances	0.01%	0.01%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	1.06	0.82
(%) of exposures to twenty largest borrowers / customers to total exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.12	0.14

s. Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2022	Percentage of NPAs to Total Advances in that sector as at March 31, 2021
Agriculture and allied activities	3.29%	3.96%
MSME	-	-
Corporate borrowers	-	-
Services	2.32%	3.98%
Others	2.78%	10.20%
Unsecured personal loans #	21.92%	9.16%
Auto loans	12.59%	6.49%
Other personal loans	-	-

represents retail business loan given to individuals.

t. Movement of NPAs *

₹ in crore

Particulars	March 31, 2022	March 31, 2021
(i) Net NPAs to Net Advances (%)	**0.94%**	**1.37%**
(ii) Movement of NPAs (Gross):		
Opening balance	449.56	142.10
Additions during the year	1,062.95	868.95
Reductions during the year	1,119.29	561.48
Closing balance	**393.22**	**449.56**
(iii) Movement of Net NPAs		
Opening balance	**135.98**	**34.35**
Additions during the year	142.20	141.62
Reductions during the year	163.32	39.99
Closing balance	**114.86**	**135.98**
(iv) Movement of provisions for NPAs		
Opening balance	**313.59**	**107.75**
Provisions made during the year	920.74	727.33
Write-off / write-back of excess provisions	955.98	521.49
Closing balance	**278.36**	**313.59**

* Represents Stage-III loans

u. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Average interest (a)	18.62%	18.94%
Average effective cost of borrowing (b)	8.86%	9.15%
Net interest margin (a-b)	9.76%	9.79%

Note:

1. Above computation is in accordance with the method accepted by RBI vide its letter no DNBS.PD.NO.4906/03.10.038/2012-13 dated April 4, 2013 to Micro-finance Institutions Network (the “MFIN format”) read with the FAQs issued by RBI on October 14, 2016 and RBI circulated dated March 13, 2020 on implementation of Indian Accounting Standards.

2. Average loan outstanding determined for the purpose of calculating NIM is based on carrying value of loans under Ind AS, excluding effect of following:
a. Fair value changes recognised through other comprehensive income;
b. Securitised loans qualifying for de-recognition as per RBI’s “true sale” criteria and related interest income have not been considered for computation of “average interest charged” in accordance with the MFIN format. Accordingly, the purchase consideration received towards such securitisations and related finance costs have also not been considered for computation of “average effective cost of borrowings”.
c. Impairment allowance adjusted from the carrying value of loans in accordance with Ind AS 109;
d. Carrying value of loans classified as Stage III loans (i.e. erstwhile NPA classification) as per specific communication from RBI.

3. Interest income considered for computation of “average interest charged” excludes loan processing fee collected from customers in accordance with para 56 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS standalone financial statements.

v. Overseas Assets
The Company does not have any subsidiary / Joint venture abroad.

w. Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)
The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms).

x. Disclosure of customer complaints

Sl No	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	No. of complaints pending at the beginning of the year	4	-
(b)	No. of complaints received during the year	3,189	2,716
(c)	No. of complaints redressed during the year	3,192	2,712
(d)	No. of complaints pending at the end of the year	1	4

y. Information on instances of fraud
Instances of fraud reported during the year ended March 31, 2022: ₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	7	0.14	0.10	0.04

Instances of fraud reported during the year ended March 31, 2021: ₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	7	0.12	0.07	0.05

z. Public disclosure on Liquidity risk management
(i) Funding concentration based on significant Counterparty *(both deposits and borrowings)
As at March 31, 2022

Number of significant counterparties	Amount (Rs. in Crore)	% of Total Deposits	% of Total Liabilities
22	8,601.62	NA	79.24%

As at March 31, 2021

Number of significant counterparties	Amount (Rs. in Crore)	% of Total Deposits	% of Total Liabilities
23	7,756.31	NA	85.59%

(ii) Top 20 large deposits (amount in Rs. Crore and % of total deposits)- Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-MFI) registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in Rs. Crore and % of total borrowings)
As at March 31, 2022

Amount (Rs in Crore)	% of Total Borrowings
6,781.45	64.68%

As at March 31, 2021

Amount (Rs in Crore)	% of Total Borrowings
5,891.45	67.10%

(iv) Funding concentration based on significant instrument / product* ₹ in Crore

Name of the instrument/ product	March 31, 2022	% of Total Liabilities	March 31, 2021	% of Total Liabilities
Term loans from Banks	6,869.29	63.28%	5,115.80	56.45%
Term Loans from Financial Institutions	1,730.98	15.95%	1,783.72	19.68%
Non Convertible Debentures	1,372.81	12.65%	1,506.04	16.62%
External commercial borrowings	93.74	0.86%	225.51	2.49%
Term Loans from Non banking Financial Companies	302.24	2.78%	124.65	1.38%

(v) Stock Ratios
As at March 31, 2022

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	3.40%	2.58%	1.89%

As at March 31, 2021

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	3.07%	2.25%	1.60%

(vi) Institutional set-up for liquidity risk management
The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub-committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

Chief Risk Officer shall be part of the process of identification, measurement and mitigation of liquidity risks.

The ALM support group consist of CFO and Head-Treasury who shall be responsible for analysing, monitoring and reporting the liquidity profile to the ALCO.

***Notes**
1. A “Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4. “Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.

5. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2022.

aa. Asset classification as per IRAC norms

As at March 31, 2022 ₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I *	11,920.16	84.19	11,835.97	44.96	39.23
	Stage II *	142.48	41.29	101.19	6.30	34.99
Subtotal		**12,062.64**	**125.48**	**11,937.16**	**51.26**	**74.21**
Non-Performing Assets (NPA)						
Substandard	**Stage III**	**393.22**	**278.36**	**114.86**	**104.29**	**174.07**
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**393.22**	**278.36**	**114.86**	**104.29**	**174.07**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage I**	**11,920.16**	**84.19**	**11,835.97**	**44.96**	**39.23**
	Stage II	**142.48**	**41.29**	**101.19**	**6.30**	**34.99**
	Stage III	**393.22**	**278.36**	**114.86**	**104.29**	**174.07**
	Total	**12,455.86**	**403.84**	**12,052.02**	**155.55**	**248.29**

Notes:
1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

As at March 31, 2021 ₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 & 2 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I	9,669.74	174.38	9,495.36	39.42	134.96
	Stage II	114.29	27.82	86.47	1.04	26.78
Subtotal		**9,784.03**	**202.20**	**9,581.83**	**40.46**	**161.74**
Non-Performing Assets (NPA)						
Substandard	**Stage III**	**449.58**	**313.60**	**135.98**	**68.50**	**245.10**
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**449.58**	**313.60**	**135.98**	**68.50**	**245.10**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage I**	**9,669.74**	**174.38**	**9,495.36**	**39.42**	**134.96**
	Stage II	**114.29**	**27.82**	**86.47**	**1.04**	**26.78**
	Stage III	**449.58**	**313.60**	**135.98**	**68.50**	**245.10**
	Total	**10,233.61**	**515.80**	**9,717.80**	**108.96**	**406.84**

Notes
1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

ab. Loans against the security of gold

i) The Company has disbursed loans against the security of gold during financial year 2021-22. However, no auctions were conducted.

ii) Percentage of Loans against the security of gold to total asset: ₹ in crore

Particulars	31-Mar-22	31-Mar-21
Gold Loans granted against collateral of gold jewellery (principal portion)	0.18	-
Total assets of the Company	14,795.10	12,696.79
Percentage of Gold Loans to Total Assets	0.00%	-

ac. Details of resolution plans implemented under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2022:

₹ in crore

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - Position as at the end of the previous half year i.e. September 30, 2021 (A) @	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022 #	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. March 31, 2022
Personal Loans*	115.59	23.95	-	23.65	67.99
Corporate persons	-	-	-	-	-
Total	115.59	23.95	-	23.65	67.99

Note:
- In the above table, asset classification is reported as per Ind AS and represents stage 1 and stage 2.
@ Includes cases where restructuring request was received on or before September 30, 2021 and was implemented subsequently.
# Amount paid by the borrower during the half year is net of additions in the exposure on account interest capitalisation.
* Includes joint liability group loan (JLG) and individual loan (IL).

ad. Disclosure of resolution plans implemented during the year ended March 31, 2022 in terms of RBI's notification no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7 June 2019 is as follows:

Number of accounts where resolution plan has been implemented*	Exposure as at 31-March-2022 (₹ in crore)
10541	41.30

* Includes joint liability group loan (JLG) and individual loan (IL).

ae. Details of loans transferred / acquired during the year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of transfer through Direct assignment in respect of loans not in default during the year March 31, 2022:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Number of Loans	3,74,239	3,93,980
Aggregate amount (₹ in crore)	1,260.69	1,355.95
Sale consideration (₹ in crore)	1,120.30	1,203.83
Number of transactions	5	4
Weighted average remining maturity (in months)	16	16
Weighted average holding period after origination (in months)	8	6
Retention of beneficial economic interest	6.81% to 15.00%	5.00% to 15.00%
Coverage of tangible security Coverge	-	-
Rating wise distribution of rated loans	-	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-	-
Number of transferred loans replaced	-	-

(ii) The Company has not transferred any non-performing assets (NPAs).
(iii) The Company has not acquired any loans through assignment.
(iv) The Company has not acquired any stressed loan.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

af. Liquidity Coverage Ratio Disclosure

Institutional set-up for liquidity risk management

The RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

The disclosure on Liquidity Coverage Ratio of the Company for the year ended March 31, 2022 is as under:

₹ in crore

	Particulars	Quarter March 31, 2022		Quarter December 31, 2021		Quarter September 30, 2021		Quarter June 30, 2021		Year ended March 31, 2021	
		Total unweighted value (average) @	Total weighted value (average) $	Total unweighted value (average) @	Total weighted value (average) $	Total unweighted value (average) @	Total weighted value (average) $	Total unweighted value (average) @	Total weighted value (average) $	Total unweighted value (average) @	Total weighted value (average) $
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)	-	-	-	-	-	-	-	-	-	-
	Cash and bank balance	805.65	805.65	435.90	435.90	753.52	753.52	1,192.68	1,192.68	204.53	204.53
	Short term fixed deposit	-	-	-	-	-	-	-	-	-	-
		805.65	**805.65**	**435.90**	**435.90**	**753.52**	**753.52**	**1,192.68**	**1,192.68**	**204.53**	**204.53**
Cash outflows											
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-	-	-
5	Additional requirements, of which										
	(i) Outflows related to derivative exposures and other collateral rec	-	-	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	719.16	827.03	675.36	776.66	564.97	649.72	575.71	662.07	525.47	604.29
7	Other contingent funding obligations	-	-	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**719.16**	**827.03**	**675.36**	**776.66**	**564.97**	**649.72**	**575.71**	**662.07**	**525.47**	**604.29**
Cash inflows											
9	Secured lending	-	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	830.45	622.84	783.36	587.52	701.65	526.24	687.14	515.36	733.50	550.13
11	Other cash inflows #	202.34	151.75	302.41	226.80	517.64	388.23	521.69	391.26	1,547.79	1,160.84
12	**TOTAL CASH INFLOWS**	**1,032.79**	**774.59**	**1,085.77**	**814.32**	**1,219.29**	**914.47**	**1,208.83**	**906.62**	**2,281.29**	**1,710.97**
13	Total HQLA		805.65		435.90		753.52		1,192.68		204.53
14	Total net cash outflows		206.76		194.16		162.43		165.52		151.07
11	Liquidity Coverage Ratio (%)		389.66%		224.50%		463.91%		720.58%		135.39%

@ Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated basis simple average of month-end observations for Q4-FY2022.

$ Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

Other cash inflows includes Fixed deposit placed with banks and proceeds from redemption of mutual funds.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2022

ag. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended:

₹ in crore

	Particulars	March 31, 2022		March 31, 2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side :				
1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured	1,372.81	-	1,506.04	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	9,112.25	-	7,274.68	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (Working Capital Loans from Banks)	-	-	-	-

₹ in crore

	Particulars	March 31, 2022	March 31, 2021
		Amount Outstanding	Amount Outstanding
	Assets side :		
2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] (net carrying value):**		
	(a) Secured	8.76	5.74
	(b) Unsecured	12,192.84	9,712.08
3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
4)	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Certificate of Deposits and Commercial Paper)		
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	663.49	662.93
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

ag. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended (continued)

5) Borrower group-wise classification of assets financed as in (2) and (3) above :

₹ in crore

Category	March 31, 2022			March 31, 2021		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	149.58	149.58	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	8.76	12,043.26	12,052.02	5.74	9,712.08	9,717.82
Total	**8.76**	**12,192.84**	**12,201.60**	**5.74**	**9,712.08**	**9,717.82**

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in crore

Category	March 31, 2022		March 31, 2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **				
(a) Subsidiaries	762.48	663.29	755.53	662.73
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	NA	0.20	NA	0.20
Total		**663.49**		**662.93**

** As per Ind AS

7) Other information

₹ in crore

Particulars	March 31, 2022			March 31, 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(i) Gross Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	0.20	393.02	393.22	0.26	449.30	449.56
(ii) Net Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	-	114.86	114.86	-	135.98	135.98
(iii) Assets acquired in satisfaction of debt	-	-	-	-	-	-

47 Additional disclosures

(i) No Benami Property are held by the Company and or no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

(iii) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

(iv) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(v) Other than the transactions that are carried out as part of Company' normal lending business:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

(vii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

(viii) **Analytical Ratios:**

₹ in crore

Ratios	**Numerator**	**Denominator**	**Current period**	**Previous Period**	**% Variance**	**Reason for variance (if above 25%)**
Capital torisk-weightedassets ratio(CRAR)						
-Tier I CRAR	3,268.63	12,634.19	25.87%	30.50%	-15.18%	N/A
- Tier II CRAR	84.22	12,634.19	0.67%	1.25%	-46.67%	#
Liquidity Coverage Ratio	805.65	206.76	389.66%	135.39%	187.81%	##

Subordinated liabilities is fully paid during the current financial year.
Higher liquidity maintained during the March 31, 2022

48 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

For and on behalf of Board of Directors of CreditAccess Grameen Limited

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

M Seethalakshmi
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Deloitte Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar, Chennai-600 017
Tamil Nadu, India

Tel: 044 6688 5000
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INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of CreditAccess Grameen Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 42 of the standalone financial statements, which describes the continuing uncertainties arising from the COVID 19 pandemic.

Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the key audit matter was addressed in our Audit
(a) Impairment of Loans (expected credit losses) (as described in note 7 of the standalone Ind AS financial statements)	
Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. During the year, the Company has made additional provisions after evaluating the extent to which COVID-19 pandemic may impact its overall operations and performance. Given the uncertainty over the potential macro-economic condition, these additional provisions also involve significant management estimates/ judgements. Further, the disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL involve increased level of audit focus. The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter (KAM).	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but not limited, to the following: • We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. • We obtained an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness of the data on which the calculation is based and tested the management controls for it. • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of the need for post model adjustments, model validation and

	production of journal entries and disclosures. • We tested, on samples basis, the input and historical data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • We tested the arithmetical calculation of the workings of the expected credit losses. • We performed an overall assessment of the ECL provision at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile and the macroeconomic environment. • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.'

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The audit of the standalone financial statements of the Company for the year ended March 31, 2020 was carried out by the predecessor auditor. The report of the predecessor auditor on the comparative standalone financial statements dated May 30, 2020 expressed an unmodified opinion.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFJ6787)

Place: Mumbai
Date: May 6, 2021

Deloitte
Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) **under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the **"Act")**

We have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFJ6787)

Place: Mumbai
Date: May 6, 2021

ANNEXURE **"B" TO THE INDEPENDENT AUDITORS' REPORT**
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to any director of the Company and hence the provisions of Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions of Section 186 as applicable

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and it did not have any unclaimed deposits at the beginning of the year. Hence reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues where applicable, to it with the appropriate authorities.

(b) There were no arrears in respect of said statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Provident Fund, Employees' State Insurance, Goods and Service Tax, Sales Tax, as on March 31, 2021 on account of disputes. The details of dues of Income tax which have not been deposited as at March 31, 2021 on account of dues are as follows:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2016-17	Rs. 1.45 crore	Rs. 1.16 crore

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and dues to debenture holders. The Company does not have loans or borrowings from Government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of further public offer of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised money by way of initial public offer during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review. In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Act are not applicable.

(xvi) In our opinion and according to the information and explanation given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFJ6787)

Place: Mumbai
Date: May 6, 2021

CreditAccess Grameen Limited
Standalone balance sheet as at March 31, 2021

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	1,874.59	564.62
(b)	Bank balance other than cash and cash equivalents	5	71.38	15.82
(c)	Other receivables	6	-	0.22
(d)	Loans	7	9,717.82	9,172.64
(e)	Investments	8	662.93	661.44
(f)	Other financial assets	9	109.80	45.74
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	29	29.47	17.59
(b)	Deferred tax assets (net)	29	115.01	84.27
(c)	Property, plant and equipment	11 (A)	18.37	24.19
(d)	Right of use assets	11 (A)	66.66	52.93
(e)	Intangible assets	11 (A)	15.73	9.50
(f)	Intangible assets under development	11 (B)	0.62	2.84
(g)	Other non-financial assets	10	14.41	9.86
	Total assets		**12,696.79**	**10,661.66**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		25.19	18.36
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		145.07	61.48
(b)	Borrowings			
	- Debt securities	12	1,506.04	655.07
	- Borrowings (other than debt securities)	13	7,249.68	7,142.49
	- Subordinated liabilities	14	25.00	25.00
(c)	Other financial liabilities	15	81.63	65.07
(2)	**Non-financial liabilities**			
(a)	Provisions	17	19.68	16.02
(b)	Other non-financial liabilities	16	9.69	9.09
(3)	**Equity**			
(a)	Equity share capital	18	155.58	143.99
(b)	Other equity	19	3,479.23	2,525.09
	Total liabilities and equity		**12,696.79**	**10,661.66**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

CreditAccess Grameen Limited
Statement of standalone profit and loss for the year ended March 31, 2021

₹ in crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue from operations			
(a)	Interest income	20	1,877.13	1,617.19
(b)	Fees and commission income	21	8.49	4.95
(c)	Net gain on fair value changes	22	130.64	56.15
(d)	Others		11.27	5.20
I	**Total revenue from operations (I)**		**2,027.53**	**1,683.49**
II	**Other income**	23	3.61	0.87
III	**Total income (I+II)**		**2,031.14**	**1,684.36**
	Expenses			
(a)	Finance costs	24	740.07	571.03
(b)	Fee and commission expense		3.01	1.18
(c)	Impairment of financial instruments	25	646.90	238.98
(d)	Employee benefits expenses	26	299.60	259.64
(e)	Depreciation and amortization expenses	27	23.43	19.64
(f)	Other expenses	28	123.84	143.00
IV	**Total expenses (IV)**		**1,836.85**	**1,233.47**
V	**Profit before tax (III-IV)**		**194.29**	**450.89**
	Tax expense	29		
	(1) Current tax		93.44	159.32
	(2) Deferred tax		(41.54)	(35.93)
VI	**Total tax expense (VI)**		**51.90**	**123.39**
VII	**Profit for the year (V-VI)**		**142.39**	**327.50**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement gains / (losses) on defined benefit obligations (net)		0.22	0.05
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.05)	(0.01)
	Subtotal (a)		**0.17**	**0.04**
(b)	(1) Items that will be reclassified to profit or loss			
	- Net change in fair value of loans measured at fair value through other comprehensive income		42.93	(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss		(10.80)	7.46
	Subtotal (b)		**32.13**	**(27.37)**
	Other comprehensive income / (loss) (VIII = a+b)		**32.30**	**(27.33)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the year)**		**174.69**	**300.17**
X	**Earnings per equity share (EPS) (face value of ₹ 10.00 each)**	44		
	Basic (EPS)		9.52	22.78
	Diluted (DPS)		9.46	22.59

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

CreditAccess Grameen Limited
Statement of standalone changes in equity for the year ended March 31, 2021

a) Equity share capital

Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crores
At March 31, 2019	14,35,52,261	143.55
Changes in equity share capital during the year	4,33,198	0.43
At March 31, 2020	14,39,85,459	143.99
Changes in equity share capital during the year	1,15,96,581	11.60
At March 31, 2021	15,55,82,040	155.58

b) Other equity

₹ in crore

	Reserve & Surplus						Total
Particulars	**Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)**	**Capital reserve (refer Note 19.2)**	**Securities premium**	**Share options outstanding account**	**Retained earnings**	**Other comprehensive income**	
As at March 31, 2019	**137.92**	**49.95**	**1,480.00**	**8.79**	**553.55**	**(8.70)**	**2,221.51**
Profit for the year	-	-	-	-	327.50	-	327.50
Other comprehensive income	-	-	-	-	0.04	(27.37)	(27.33)
Premium on exercise of stock options	-	-	5.85	(2.69)	-	-	3.16
Transferred to statutory reserves	65.50	-	-	-	(65.50)	-	-
Effect of tax rate change on the carrying value of deferred tax asset recognised through equity	-	-	(2.26)	-	-	-	(2.26)
Employee stock option compensation for the year	-	-	-	2.51	-	-	2.51
As at March 31, 2020	**203.42**	**49.95**	**1,483.59**	**8.61**	**815.59**	**(36.07)**	**2,525.09**
Profit for the year	-	-	-	-	142.39	-	142.39
Other comprehensive income	-	-	-	-	0.17	32.13	32.30
Premium on equity shares issued during the year	-	-	788.68	-	-	-	788.68
Premium on exercise of stock options	-	-	4.39	(2.05)	-	-	2.34
Transferred to statutory reserves	28.47	-	-	-	(28.47)	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	(13.53)	-	-	-	(13.53)
Employee stock option compensation for the year	-	-	-	1.96	-	-	1.96
As at March 31, 2021	**231.89**	**49.95**	**2,263.13**	**8.52**	**929.68**	**(3.94)**	**3,479.23**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

CreditAccess Grameen Limited
Statement of standalone cash flows for the year ended March 31, 2021

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities:		
Profit before tax	194.29	450.89
Adjustments:		
Interest income on loans	(1,858.17)	(1,611.05)
Interest on deposits with banks and financial institutions	(18.96)	(6.14)
Depreciation and amortisation expenses	23.43	19.64
Finance costs	740.07	571.03
Impairment on financial instruments	646.90	238.98
Gain on derecognition of loans designated at FVTOCI	(112.89)	(41.33)
Net gain on financial instruments at fair value through profit or loss	(17.74)	(14.82)
Share based payments to employees	1.96	2.51
Provision/(Reversal of provision) for other assets	0.20	0.32
	(595.20)	**(840.86)**
Operational cash flows from interest:		
Interest received on loans	1,852.85	1,572.25
Finance costs	(709.74)	(540.41)
Working capital changes:		
(Increase) in loans	(1,143.84)	(2,804.82)
Decrease/ (increase) in other receivables	0.22	(0.13)
Decrease in other financial assets	48.63	41.97
(Increase) in other non-financial assets	(3.37)	(1.57)
Increase/ (decrease) in trade and other payables	90.42	(23.89)
Increase in provisions	3.88	4.19
Increase in other financial liabilities	2.31	0.95
Increase in other non-financial liabilities	0.60	3.17
	(1,001.15)	**(2,780.13)**
Income tax paid	(105.37)	(163.69)
Net cash flows (used in) Operating activities (A)	**(364.32)**	**(2,301.95)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(3.29)	(14.21)
Proceeds from sale of property, plant and equipment	0.46	0.12
Purchase of Intangible assets and expenditure on Intangible assets under development	(8.50)	(7.44)
(Increase) / decrease in bank balance other than cash and cash equivalents	(55.55)	25.99
Interest on deposits with banks and financial institutions	18.96	6.14
Purchase of investments at fair value through profit and loss	(7,200.60)	(9,125.63)
Sale of investments at fair value through profit and loss	7,218.34	9,140.45
Investment in equity shares of subsidiary	(1.49)	(661.24)
Net cash flows (used in) investing activities (B)	**(31.67)**	**(635.82)**
Cash flow from financing activities		
Debt securities issued (net)	825.84	88.72
Borrowings other than debt securities issued (net)	108.39	3,012.59
Subordinated liabilities repaid (net)	-	(11.39)
Payment of Lease liability (net)	(17.35)	(5.93)
Financial liability towards securitisation (repaid) (net)	-	(158.92)
Proceeds from issuance of equity share capital including securities premium	799.99	-
Proceeds from the Employee Stock options	2.62	3.59
Expenses incurred towards issuance of equity share capital	(13.53)	-
Net cash flows from financing activities (C)	**1,705.96**	**2,928.66**
Net increase / (decrease) in cash and cash equivalents	**1,309.97**	**(9.11)**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	**564.62**	**573.73**
Cash and cash equivalents as at the end of the year (Refer Note 4)	**1,874.59**	**564.62**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

1. Corporate information

CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) (‘the Company’) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company (‘NBFC-ND’) with the Reserve Bank of India (‘RBI’) and has got classified as a Non-Banking Financial Company – Micro Finance Institution (‘NBFC-MFI’) with effect from September 5, 2013. The company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE').The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B- 02.00252) located at New No. 49 (Old No. 725), 46th Cross,8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India.

The Company is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups (‘JLG’). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members. The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 6, 2021.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated. These standalone financial statements have been prepared on a going concern basis.

2.1 Presentation of standalone financial statements

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

2.2 Critical accounting estimates and judgements

The preparation of the Company’s standalone financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management’s estimates are based. Accounting estimates and judgements are used in various line items in the standalone financial statements for e.g.:

- Business model assessment (Refer Note 3.14)
- Fair value of financial instruments (Refer Note 3.17)
- Effective interest rate (EIR) (Refer Note 3.1.1)
- Impairment of financial assets (Refer Note 3.15)
- Provisions (Refer Note 3.8)
- Contingent liabilities and assets (Refer Note 3.9)
- Provision for tax expenses (Refer Note 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note 3.6.1)

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of this standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2021

3.1 Revenue recognition

3.1.1 Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

3.1.2 Interest on financial assets at fair value through profit and loss (FVTPL) is recognised in accordance with the contractual terms of the instrument.

3.1.3 The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

3.1.4 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.5 Dividend Income

Dividend income is recognised at the time when the right to receive is established.

3.2 Finance cost

Borrowing cost on financial liabilities including towards securitisation transactions not derecognised by the Company are recognised by applying the EIR.

3.3 Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to cash with an insignificant risk of changes in value.

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6 Depreciation and amortization

3.6.1 Depreciation

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated, supported by independent assessment by professionals, the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

3.6.2 Amortisation of intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

3.7 Impairment of non–financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3 Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11 Taxes

3.11.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 37.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the "Share options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1 Financial Assets

3.14.1.1 Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3 Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:
(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4 Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5 Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

3.14.2 Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Company has transferred substantially all the risks and rewards of the asset

or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 40.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 40.

Accordingly, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.
Stage 3: Loans considered credit-impaired (as outlined in Note 40). The Company records an allowance for the LTECLs.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 40 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Company.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
i. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
ii. Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
iii. Level 3 - Unobservable inputs for the asset or liability.

3.18 Segment information

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

3.19 Business combinations

A) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:
(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

B) Other business combinations

The Company uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder’s fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.20 Foreign currency

3.20.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.20.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.20.3 Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.21 Leases (where the Company is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises and servers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset;
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

3.22 Investments

Investment in subsidiaries
Investment in subsidiaries is recognised at cost. Cost of investment represents amount paid for acquisition of the said investment.The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Other investments
Other Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI).

4 Cash and cash equivalents ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Cash in hand	7.96	1.35
Balances with Banks in current accounts	154.95	163.08
Bank deposit with maturity of less than 3 months	1,711.68	400.19
Total	**1,874.59**	**564.62**

5 Bank balance other than cash and cash equivalents ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Fixed deposit with bank not considered as cash and cash equivalents*	71.38	15.82
Total	**71.38**	**15.82**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Other receivables ₹ in crore

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Other receivables	-	0.22
Total	**-**	**0.22**

The above does not include the debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

7 Loans ₹ in crore

Particulars	March 31,2021			March 31, 2020		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans	544.21	9,275.37	9,819.58	949.00	7,989.03	8,938.03
Individual loans	414.03	-	414.03	500.36	-	500.36
Total - Gross	**958.24**	**9,275.37**	**10,233.61**	**1,449.36**	**7,989.03**	**9,438.39**
Less: Impairment loss allowance	133.75	382.04	515.79	42.20	223.55	265.75
Total - Net*	**824.49**	**8,893.33**	**9,717.82**	**1,407.16**	**7,765.48**	**9,172.64**
(B) (a) Secured by tangible assets	6.17	-	6.17	6.18	-	6.18
(b) Unsecured	952.07	9,275.37	10,227.44	1,443.18	7,989.03	9,432.21
Total - Gross	**958.24**	**9,275.37**	**10,233.61**	**1,449.36**	**7,989.03**	**9,438.39**
Less: Impairment loss allowance	133.75	382.04	515.79	42.20	223.55	265.75
Total - Net*	**824.49**	**8,893.33**	**9,717.82**	**1,407.16**	**7,765.48**	**9,172.64**
				-	-	(0.00)
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	958.24	9,275.37	10,233.61	1,449.36	7,989.03	9,438.39
Total - Gross	**958.24**	**9,275.37**	**10,233.61**	**1,449.36**	**7,989.03**	**9,438.39**
Less: Impairment loss allowance	133.75	382.04	515.79	42.20	223.55	265.75
Total - Net*	**824.49**	**8,893.33**	**9,717.82**	**1,407.16**	**7,765.48**	**9,172.64**
(C) (II) Loans outside India	**-**	**-**	-	**-**	**-**	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net*	**-**	**-**	**-**	**-**	**-**	**-**

*Includes fair value of loans designated at FVTOCI.

7(A) Joint Liability loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Joint Liability loans (including loans assets measured through FVTOCI):

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2020	**8,782.92**	**22.73**	**132.38**	**8,938.03**
(a) New assets originated or purchased	9,438.90	-	-	9,438.90
(b) Asset derecognised or repaid (Excluding write offs) #	(7,715.11)	(328.74)	(143.80)	(8,187.65)
Assets written off during the year	-	-	(369.70)	(369.70)
Movement between stages				
Transfer from Stage 1	(1,309.11)	1,088.03	221.08	-
Transfer from Stage 2	90.91	(684.21)	593.30	-
Transfer from Stage 3	11.40	4.24	(15.64)	-
Gross carrying value of assets as at March 31, 2021	**9,299.91**	**102.05**	**417.62**	**9,819.58**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**143.12**	**10.11**	**97.91**	**251.14**
(a) New assets originated or purchased	63.93	-	-	63.93
(b) Asset derecognised or repaid (Excluding write offs) #	(52.25)	(141.19)	(107.75)	(301.19)
Assets written off during the year	-	-	(369.70)	(369.70)
Movement between stages				
Transfer from Stage 1	(8.87)	7.37	1.50	-
Transfer from Stage 2	39.04	(293.85)	254.81	-
Transfer from Stage 3	8.54	3.17	(11.71)	-
Impact on ECL on account of movement between stages	(31.51)	436.03	416.32	820.84
ECL allowance as at March 31, 2021*	**162.00**	**21.64**	**281.38**	**465.02**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 382.04 crores.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2019	6,299.14	22.59	33.03	6,354.76
(a) New assets originated or purchased	9,909.69	-	-	9,909.69
(b) Asset derecognised or repaid (Excluding write offs) #	(7,278.61)	(3.45)	3.29	(7,278.77)
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages				
Transfer from Stage 1	(147.36)	11.85	135.51	-
Transfer from Stage 2	0.04	(8.27)	8.23	-
Transfer from Stage 3	0.02	0.01	(0.03)	-
Gross carrying value of assets as at March 31, 2020	**8,782.92**	**22.73**	**132.38**	**8,938.03**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2019	**38.45**	**4.26**	**27.66**	**70.37**
(a) New assets originated or purchased	68.40	-	-	68.40
(b) Asset derecognised or repaid (Excluding write offs) #	(50.31)	(1.29)	2.38	(49.22)
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages				
Transfer from Stage 1	(1.01)	0.08	0.93	-
Transfer from Stage 2	0.01	(3.09)	3.08	-
Transfer from Stage 3	0.01	-	(0.01)	-
Impact on ECL on account of movement between stages	87.57	10.15	111.52	209.24
ECL allowance as at March 31, 2020*	**143.12**	**10.11**	**97.91**	**251.14**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 223.55 crores.

7(B) Individual loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2020	484.98	5.66	9.72	500.36
(a) New assets originated or purchased	192.83	-	-	192.83
(b) Asset derecognised or repaid (Excluding write offs) #	(240.89)	(6.17)	(4.97)	(252.03)
Assets written off during the year	-	-	(27.13)	(27.13)
Movement between stages				
Transfer from Stage 1	(68.64)	34.98	33.66	-
Transfer from Stage 2	1.39	(22.30)	20.91	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Gross carrying value of assets as at March 31, 2021	**369.83**	**12.25**	**31.95**	**414.03**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**1.80**	**2.97**	**9.84**	**14.61**
(a) New assets originated or purchased	3.86	-	-	3.86
(b) Asset derecognised or repaid (Excluding write offs) #	(4.82)	(3.08)	(4.96)	(12.86)
Assets written off during the year	-	-	(27.13)	(27.13)
Movement between stages				
Transfer from Stage 1	(1.37)	0.70	0.67	-
Transfer from Stage 2	0.69	(11.15)	10.46	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Impact on ECL on account of movement between stages	12.07	16.65	43.57	72.29
ECL allowance as at March 31, 2021	**12.39**	**6.17**	**32.21**	**50.77**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2019	323.93	0.61	0.49	325.03
(a) New assets originated or purchased	425.47	-	-	425.47
(b) Asset derecognised or repaid (Excluding write offs) #	(247.63)	0.14	(0.11)	(247.60)
Assets written off during the year	-	-	(2.54)	(2.54)
Movement between stages				
Transfer from Stage 1	(16.79)	4.93	11.86	-
Transfer from Stage 2	0.00	(0.02)	0.02	-
Transfer from Stage 3	0.00	-	(0.00)	-
Gross carrying value of assets as at March 31, 2020	**484.98**	**5.66**	**9.72**	**500.36**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2019	**6.11**	**-**	**0.47**	**6.58**
(a) New assets originated or purchased	1.59	-	-	1.59
(b) Asset derecognised or repaid (Excluding write offs) #	(0.92)	0.08	(0.11)	(0.95)
Assets written off during the year	-	-	(2.54)	(2.54)
Movement between stages				
Transfer from Stage 1	(0.06)	0.02	0.04	-
Transfer from Stage 2	0.00	(0.01)	0.01	-
Transfer from Stage 3	0.00	-	(0.00)	-
Impact on ECL on account of movement between stages	(4.92)	2.88	11.97	9.93
ECL allowance as at March 31, 2020	**1.80**	**2.97**	**9.84**	**14.61**

Represents balancing figure.

8 Investments

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Investments		
A) In India		
At fair value through profit and loss		
(a) Alpha Microfinance Consultants Private Limited	0.20	0.20
Others		
(a) Subsidiaries	662.73	661.24
Madura Micro Finance Limited (MMFL)		
Total	**662.93**	**661.44**
B) Outside India	-	-
Less: Allowance for impairment loss	-	-
Total	**662.93**	**661.44**

9 Other financial assets

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Receivable from assignment of portfolio (unsecured, considered good)	90.75	27.31
Security deposits (unsecured, considered good)	9.68	9.30
Loans to employees (unsecured, considered good)	7.54	5.85
Other advances		
Unsecured, considered good	1.70	3.18
Unsecured, considered doubtful	0.39	0.16
Less: Provision for doubtful advances	(0.39)	(0.16)
Others	0.13	0.10
Total	**109.80**	**45.74**

10 Other non-financial assets

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Prepaid expenses	5.42	5.18
Advances to employees	0.15	0.14
Capital advance	1.18	-
Other advances		
Unsecured, considered good *	7.66	4.54
Unsecured, considered doubtful	0.98	1.17
Less: Provision for doubtful advances	(0.98)	(1.17)
Total	**14.41**	**9.86**

*Includes License and other service charges receivables from Madura Micro Finance Limited ₹ 1.12 crore (Nil as at March 31, 2020).

₹ in crore

11 (A)

Particulars	Property, plant and equipment						Total	Right of use assets		Total	Intangible assets	
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles		Buildings	Computer		Computer software	Total
Cost:												
At March 31, 2019	8.11	0.54	5.78	6.80	12.05	0.62	**33.90**	15.19	33.39	**48.58**	14.07	**14.07**
Additions	3.42	0.24	3.59	2.25	4.81	-	**14.31**	7.35	4.45	**11.80**	6.97	**6.97**
Disposals	(0.16)	(0.02)	(0.06)	-	(0.40)	-	**(0.64)**			**-**	(0.01)	**(0.01)**
At March 31, 2020	**11.37**	**0.76**	**9.31**	**9.05**	**16.46**	**0.62**	**47.57**	**22.54**	**37.84**	**60.38**	**21.03**	**21.03**
At April 1, 2020												
Additions	1.36	0.02	0.09	0.10	0.53	0.01	**2.11**	0.32	24.88	**25.20**	10.72	**10.72**
Disposals	(0.43)	(0.05)	(0.19)	(0.16)	(0.61)	-	**(1.44)**	-	-	**-**	-	**-**
At March 31, 2021	**12.30**	**0.73**	**9.21**	**8.99**	**16.38**	**0.63**	**48.24**	**22.86**	**62.72**	**85.58**	**31.75**	**31.75**
Depreciation / Amortisation:												
At March 31, 2019	5.32	0.51	3.89	2.40	2.72	0.32	**15.16**	-	-	**-**	8.06	**8.06**
Depreciation/Amortisation charge for the year	2.02	0.22	1.76	1.51	3.14	0.08	**8.73**	3.79	3.66	**7.45**	3.48	**3.48**
Disposals	(0.15)	(0.02)	(0.05)	-	(0.29)	-	**(0.51)**	-	-	**-**	(0.01)	**(0.01)**
At March 31, 2020	**7.19**	**0.71**	**5.60**	**3.91**	**5.57**	**0.40**	**23.38**	**3.79**	**3.66**	**7.45**	**11.53**	**11.53**
Depreciation/Amortisation charge for the year	2.26	0.03	0.52	1.48	3.11	0.07	**7.47**	3.64	7.83	**11.47**	4.49	**4.49**
Disposals	(0.15)	(0.05)	(0.18)	(0.16)	(0.44)	-	**(0.98)**	-	-	**-**	-	**-**
At March 31, 2021	**9.30**	**0.69**	**5.94**	**5.23**	**8.24**	**0.47**	**29.87**	**7.43**	**11.49**	**18.92**	**16.02**	**16.02**
Net book value:												
At March 31, 2019	**2.79**	**0.03**	**1.89**	**4.40**	**9.33**	**0.30**	**18.74**	**15.19**	**33.39**	**48.58**	**6.01**	**6.01**
At March 31, 2020	**4.18**	**0.05**	**3.71**	**5.14**	**10.89**	**0.22**	**24.19**	**18.75**	**34.18**	**52.93**	**9.50**	**9.50**
At March 31, 2021	**3.00**	**0.04**	**3.27**	**3.76**	**8.14**	**0.16**	**18.37**	**15.43**	**51.23**	**66.66**	**15.73**	**15.73**

11 (B) Intangible assets under development

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Opening	2.84	2.36
Additions during the year	2.00	2.96
Less: Capitalised during the year	(4.22)	(2.48)
Closing	**0.62**	**2.84**

12 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Debentures (secured)	1,506.04	655.07
Total	**1,506.04**	**655.07**
Debt securities in India	811.38	-
Debt securities outside India	694.66	655.07
Total	**1,506.04**	**655.07**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Company.

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value	Amount in crores	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.48	19.49
11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.47	19.50
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. February 28, 2020.	800	800	10,00,000	80.33	80.16
11.80% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	300	10,00,000	-	30.72
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	10,00,000	100.95	101.52
11.21% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of forty six months) from the date of allotment i.e. March 31, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	300	10,00,000	-	29.31
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable (date of allotment being May 31, 2017) from June 2020 in 3 installments ending on 03 June 2022.	905	1,350	10,00,000	93.19	138.88
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	10,00,000	219.39	218.58
10.20% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	170	170	10,00,000	16.94	16.91
10.42% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. March 31, 2021.	1,450	-	10,00,000	144.90	-

Debentures (secured) (at amortised cost) (continued)

10.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Four months from the date of allotment i.e. June 29, 2020.	1,208	-	10,00,000	123.74	-
9.81% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thity Six Months from the date of allotment i.e. July 31, 2020.	250	-	10,00,000	25.31	-
10.00% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. June 26, 2020.	500	-	10,00,000	53.52	-
10.05% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three years from the date of allotment i.e. July 3, 2020.	300	-	10,00,000	32.10	-
9.95% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thirty Four Months from the date of allotment i.e. July 27, 2020.	1,000	-	10,00,000	106.57	-
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	500	-	10,00,000	52.84	-
9.25% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	360	-	10,00,000	37.98	-
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	500	-	10,00,000	49.93	-
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	500	-	10,00,000	49.97	-
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	1,000	-	10,00,000	103.73	-
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	250	-	10,00,000	25.80	-
9.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	1,000	-	10,00,000	100.35	-
9.00% Secured Redeemable Market Linked Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Two years from the date of allotment i.e. March 25, 2021.	500	-	10,00,000	49.55	-
Total	**14,723**	**6,450**		**1,506.04**	**655.07**

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

13 Borrowings other than debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Term loans (secured)		
Banks	5,115.80	5,088.24
Financials institutions	1,783.72	1,668.89
Non-banking financial companies	124.65	160.95
External commercial borrowings	225.51	224.41
Total	**7,249.68**	**7,142.49**
Borrowings in India	7,024.17	6,918.08
Borrowings outside India	225.51	224.41
Total	**7,249.68**	**7,142.49**

The term loans are covered by unsecured microfinance loans to the extent of minimum 100% of outstanding. Further in respect of term loans drawn during quarter 4 of FY 2020-21 aggregating to ₹ 528.59 crore, the Company will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

13.1 Delay in repayment

For 2020-21
There were no delay in repayment of borrowings as at March 31, 2021.

For 2019-20
As per Reserve Bank of India circular dated March 27, 2020 on Covid-19 Regulatory package, the Company applied to Banks and Financial Institutions for grant of moratorium in respect of only principal repayments due from March 30, 2020 and onwards. Principal repayment of ₹ 51.79 Crore has not been paid as on March 31, 2020, the delay in payment being less than 3 days in each individual case, pending moratorium approval from Banks. The Company's request for moratorium has been approved by Banks/ Financial Institutions subsequently and repayment has been made good in respect of those Banks who has not granted the moratorium. The lender wise details are tabulated as under:

₹ in crore

Bank / financial institution	Amount (dues delayed) as on the March 31, 2020*	Due date for payment
Axis Bank Limited	10.25	30-Mar-20
Axis Bank Limited	12.50	31-Mar-20
Bajaj Finance Ltd	6.02	31-Mar-20
Bank of Baroda	1.04	31-Mar-20
DCB Bank Limited	0.83	31-Mar-20
Indian Bank	0.43	30-Mar-20
Kotak Mahindra Bank Limited	3.75	30-Mar-20
Oriental Bank of Commerce	1.04	31-Mar-20
Hongkong and Shanghai Banking Corporation Limited	7.50	31-Mar-20
The Lakshmi Vilas Bank Limited	3.64	31-Mar-20
Woori Bank	4.79	31-Mar-20
Total	**51.79**	

The above dues has been subsequently paid off in the current year.

14 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Term Loan (Unsecured)	25.00	25.00
Total	**25.00**	**25.00**
Subordinated Liabilities in India	25.00	25.00
Subordinated Liabilities outside India	-	-
Total	**25.00**	**25.00**

15 Other financial liabilities

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Lease liabilities	74.36	60.11
Others	7.27	4.96
Total	**81.63**	**65.07**

16 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Statutory dues payable	9.69	9.09
Total	**9.69**	**9.09**

17 Provisions

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits:		
Gratuity	4.20	3.69
Leave encashment and availment	15.48	12.33
Total	**19.68**	**16.02**

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2021

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	-	-	-	-	2	80.00	-	-	-	-	-	-	80.00
		Above 3 years	10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	99	260.44	25	48.86	-	-	-	-	-	-	-	-	309.30
			9%-9.5%	102	243.45	66	102.14	14	19.69	-	-	-	-	-	-	365.28
			9.5%-10%	1	2.27	-	-	-	-	-	-	-	-	-	-	2.27
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	12	399.96	11	366.21	-	-	-	-	-	-	-	-	766.17
			9%-9.5%	10	7.58	12	9.09	11	8.33	-	-	-	-	-	-	25.00
			9.5%-10%	3	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			10%-10.5%	18	19.26	12	16.68	7	9.69	-	-	-	-	-	-	45.63
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
	Half Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	14	133.00	2	16.00	-	-	-	-	-	-	-	-	149.00
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
		Above 3 years	10.5%-11%	8	15.00	5	9.50	-	-	-	-	-	-	-	-	24.50
			11.5%-12%	12	280.00	12	325.00	12	405.00	6	180.00	-	-	-	-	1,190.00
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-	-	-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-	-	-	33.48
			9.5%-10%	2	3.33	2	3.33	2	3.34	-	-	-	-	-	-	10.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**910**	**4,645.70**	**481**	**2,723.77**	**90**	**1,072.50**	**8**	**287.00**	**-**	**-**	**-**	**-**	**8,728.97**

Note: The above amount pertains to the principal outstanding only.

Terms of repayment of borrowings as on March 31, 2020

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Half Yearly	Above 3 years	9.5%-10%	-	-	-	-	-	-	2	107.00	2	107.00	-	-	214.00
	Bullet	Above 3 years	10%-10.5%	-	-	-	-	1	17.00	-	-	-	-	-	-	17.00
			11.00%-11.5%	2	49.50	-	-	1	80.00	-	-	-	-	-	-	129.50
			11.5%-12%	3	149.50	-	-	-	-	-	-	-	-	-	-	149.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	44.55	1	45.90	-	-	-	-	-	-	135.00
					-		-		-		-		-			
Term loan from banks	Monthly	1-3 years	8.5%-9%	150	945.99	129	875.55	10	279.24	-	-	-	-	-	-	2,100.77
			9%-9.5%	185	762.88	88	324.23	2	4.17	-	-	-	-	-	-	1,091.28
			9.5%-10%	20	65.44	-	-	-	-	-	-	-	-	-	-	65.44
			10%-10.5%	19	43.25	-	-	-	-	-	-	-	-	-	-	43.25
			10.5%-11%	2	4.17	-	-	-	-	-	-	-	-	-	-	4.17
		Above 3 years	9%-9.5%	18	87.50	24	116.67	24	116.67	6	29.17	-	-	-	-	350.00
			10%-10.5%	11	5.06	3	1.29	-	-	-	-	-	-	-	-	6.35
			10.5%-11%	10	6.06	-	-	-	-	-	-	-	-	-	-	6.06
	Quarterly	1-3 years	8%-8.5%	8	120.00	-	-	-	-	-	-	-	-	-	-	120.00
			8.5%-9%	63	410.61	37	155.79	-	-	-	-	-	-	-	-	566.39
			9%-9.5%	11	96.88	2	16.25	-	-	-	-	-	-	-	-	113.13
	Bullet	1-3 years	8%-8.5%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
			8.5%-9%	1	12.50	1	17.50	-	-	-	-	-	-	-	-	30.00
			9%-9.5%	10	344.00	-	-	-	-	-	-	-	-	-	-	344.00
			7%-7.5%	4	200.00	-	-	-	-	-	-	-	-	-	-	200.00
					-		-		-		-		-			
Term loan from financial institutions	Monthly	1-3 years	9%-9.5%	3	4.91	-	-	-	-	-	-	-	-	-	-	4.91
			6%-6.5%	12	108.00	12	108.00	2	16.00	-	-	-	-	-	-	232.00
	Half Yearly	Above 3 years	10.5%-11%	8	28.00	8	15.00	5	9.50	-	-	-	-	-	-	52.50
			11.5%-12%	12	165.00	12	280.00	12	325.00	12	405.00	6	180.00	-	-	1,355.00
					-		-		-		-		-			
Term loan from non-banking financial companies	Monthly	1-3 years	9%-9.5%	12	36.52	11	33.48	-	-	-	-	-	-	-	-	70.00
			9.5%-10%	15	47.55	5	13.04	-	-	-	-	-	-	-	-	60.59
			10%-10.5%	5	10.14	-	-	-	-	-	-	-	-	-	-	10.14
	Quarterly	1-3 years	9.5%-10%	3	20.33	-	-	-	-	-	-	-	-	-	-	20.33
					-		-		-		-		-			
External commercial borrowings	Bullet	Above 3 years	10%-10.5%	-	-	1	33.80	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	-	-	1	95.00	-	-	-	-	-	-	-	-	95.00
			11.00%-11.5%	-	-	-	-	1	93.44	-	-	-	-	-	-	93.44
					-		-		-		-		-			
Sub-debt	Bullet	Above 3 years	14.5%-15%	-	-	1	25.00	-	-	-	-	-	-	-	-	25.00
Grand Total				**589**	**3,818.32**	**336**	**2,155.14**	**59**	**986.92**	**20**	**541.17**	**8**	**287.00**	**-**	**-**	**7,788.55**

Note: The above amount pertains to the principal outstanding only.

18 Equity share capital

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Authorised		
Equity shares of ₹ 10 each	160.00	160.00
16,00,00,000 (March 31, 2020 : 16,00,00,000) equity shares	**160.00**	**160.00**
	March 31, 2021	**March 31, 2020**
Issued, subscibed and fully paid up		
155,582,040 (March 31, 2020: 143,985,459) equity shares of ₹ 10 each fully paid	155.58	143.99

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2021		March 31, 2020	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	14,39,85,459	143.99	14,35,52,261	143.55
Add: Issued during the year				
- On account of Qualified Institutional Placement	1,13,15,323	11.31	-	-
- Employee Stock Option Plan	2,81,258	0.28	4,33,198	0.44
Outstanding at the end of the year	**15,55,82,040**	**155.58**	**14,39,85,459**	**143.99**

Pursuant to the approval accorded by the board of directors of the Company (the "Board"), at its meeting held on September 3, 2020 and the special resolution passed by the members of the Company at the Extraordinary General Meeting (EGM) held on September 26, 2020, the Capital Raising Committee of the Board (the "CRC Committee") has, at its meeting held on October 05, 2020 approved the Qualified institutions placement of equity shares of face value ₹10 each of the Company.

Subsequently, the CRC Committee, at its meeting held on October 8, 2020, approved the allotment of 11,315,323 Equity Shares of face value ₹ 10 each to eligible qualified institutional buyers at the issue price of ₹ 707 per Equity Share (including a premium of ₹ 697 per Equity Share) aggregating to ₹ 799,99,33,361 (Rupees Seven Ninety Nine Crore Ninety Nine Lakh Thirty Three Thousand Three Hundred and Sixty One only).

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2021		March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10 each fully paid				
CreditAccess India NV (Formerly known as CreditAccess Asia NV) (Holding Company)	11,51,09,028	73.99%	11,51,09,028	79.94

(d) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 37.

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-21 (No. of equity shares)	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	-	48,90,140	-
Equity shares alloted to CreditAccess India NV (Formerly known as CreditAccess Asia NV) in lieu of conversion of compulsorily convertible debentures	-	-	-	1,29,87,012	-
Total	**-**	**-**	**-**	**1,78,77,152**	**-**

19 Other equity*

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	231.89	203.42
Capital reserve	49.95	49.95
Securities premium	2,263.13	1,483.59
Share options outstanding account	8.52	8.61
Retained earnings	929.68	815.59
Fair valuation of loans through other comprehensive income	(3.94)	(36.07)
Total	**3,479.23**	**2,525.09**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2021.

Nature and purpose of reserve

19.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

19.2 Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

19.3 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

19.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

19.5 Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropraitions to specific reserves.

19.6 Other comprehensive income

Fair valuation of loans through other comprehensive income (FVTOCI)

The Company has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

₹ in crore

Movement of other comprehensive income for the year	March 31, 2021	March 31, 2020
Opening balance	(36.07)	(8.70)
(+) Fair value change during the year	(450.50)	(229.95)
(-) Impairment allowance transferred to statement of profit and loss	482.63	202.58
Closing balance	**(3.94)**	**(36.07)**

20 Interest income ₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,615.45	242.72	**1,858.17**	1,358.58	252.47	**1,611.05**
Interest on deposits with banks and financial institutions	-	18.96	**18.96**	-	6.14	**6.14**
Total	**1,615.45**	**261.68**	**1,877.13**	**1,358.58**	**258.61**	**1,617.19**

21 Fees and commission income ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Service fees for management of assigned portfolio of loans	0.09	0.26
Service and administration charges	3.01	3.77
Distribution Income	5.39	0.92
Total	**8.49**	**4.95**

22 Net gain on fair value changes ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On portfolio		
- Investments	17.74	14.82
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	112.90	41.33
Total Net gain on fair value changes	**130.64**	**56.15**
Fair Value changes:		
- Realised	130.64	56.15
- Unrealised	-	-
Total Net gain on fair value changes	**130.64**	**56.15**

23 Other Income ₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	(0.01)	(0.03)
Miscellaneous income	3.62	0.90
Total	**3.61**	**0.87**

24 Finance costs ₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on debt securities	-	110.83	110.83	-	63.69	63.69
Interest on borrowings other than debt securities	-	618.56	618.56	-	488.65	488.65
Interest on subordinated liabilities	-	3.69	3.69	-	3.89	3.89
Other interest expense						
-Interest on lease liabilities	-	6.39	6.39	-	5.65	5.65
-Others	-	0.60	0.60	-	9.15	9.15
Total Finance costs	**-**	**740.07**	**740.07**	**-**	**571.03**	**571.03**

25 Impairment of financial instruments ₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Joint liability loans	482.63	100.98	**583.61**	202.58	25.83	**228.41**
Individual loans	-	63.29	**63.29**	-	10.57	**10.57**
Total	**482.63**	**164.27**	**646.90**	**202.58**	**36.40**	**238.98**

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2021

26 Employee benefit expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	269.69	231.48
Contribution to provident and other funds	26.33	22.23
Share based payments to employees	1.96	2.51
Staff welfare expenses	1.62	3.42
Total	**299.60**	**259.64**

27 Depreciation and amortization expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
- On property, plant and equipment	7.47	8.21
- On intangible assets	4.49	3.47
- On right of use assets	11.47	7.96
Total	**23.43**	**19.64**

28 Other expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Rental charges payable under operating leases (Refer Note 35)	14.99	12.89
Bank charges	4.60	3.79
Rates and taxes	7.44	4.56
Insurance	1.75	0.86
Repairs and maintenance	7.15	6.97
Electricity	2.99	2.81
Travelling and conveyance	41.29	46.57
Postage and telecommunication	10.50	9.64
Printing and stationery	4.87	6.34
Professional and consultancy charges*	9.64	24.09
Remuneration to directors	0.79	0.58
Auditors remuneration (refer Note below)	0.75	1.18
Training expenses	1.83	6.82
Donations	1.92	0.95
Corporate Social Responsibility expenses**	5.69	5.42
Provision for other assets	0.20	0.32
Miscellaneous expenses	7.44	9.21
Total	**123.84**	**143.00**

Auditors remuneration

₹ in crore

Particulars	For the year ended	
	March 31, 2021 #	March 31, 2020
As auditor		
Audit fee	0.43	0.65
Limited review	0.32	0.28
In other capacity		
Certification services	-	0.19
Reimbursement of expenses	-	0.06
Total	**0.75**	**1.18**

Excludes payment amounting to ₹ 0.68 crore for services in relation to Qualified institutions placement of equity shares, which has been adjusted in securities premium.

***Professional and consultancy charges**

Professional and consultancy charges for the previous year includes acquisition-related costs of ₹ 15.22 crore that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

****Details of CSR expenditure**

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
a) Gross amount required to be spent by the Company during the year	7.61	5.38
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.69	5.42

Note: The Company is in the process of depositing the unspent amount in relation to the CSR expenditure.

29 Income tax

(A)

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Current tax	93.44	159.32
Deferred tax	(41.54)	(35.93)
Total tax charge	**51.90**	**123.39**

(B) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit before tax	194.29	450.89
At India's statutory income tax rate of 25.17% (2020: 25.17%)	48.90	113.49
(a) Non deductible expenses		
Donations	0.48	0.12
CSR	2.02	0.68
Employee stock option cost	0.50	0.63
(b) Change in tax rate	-	8.47
Income tax expense reported in statement of profit and loss	**51.90**	**123.39**

(C) Movement in deferred tax balances for the year ended March 31, 2021

₹ in crore

Particulars	Net balance April 1, 2020	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.28	0.65	-	-	2.93	2.93	-
Remeasurement gain / (loss) on defined benefit plan	3.14	0.79	-	-	3.93	3.93	-
Provision for donation	0.62	(0.62)	-	-	-	-	-
Impairment allowance for loans	58.05	63.29	-	-	121.34	121.34	-
Expenses incurred on Initial Public Offering	4.38	(1.46)	-	-	2.92	2.92	-
Other items	15.80	(21.11)	(10.80)	-	(16.11)	-	(16.11)
Net Deferred tax assets / (liabilities)	**84.27**	**41.54**	**(10.80)**	**-**	**115.01**	**131.12**	**(16.11)**

(D) Movement in deferred tax balances for the year ended March 31, 2020

₹ in crore

Particulars	Net balance April 1, 2019	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2020	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	1.76	0.52	-	-	2.28	2.28	-
Remeasurement gain / (loss) on defined benefit plan	2.74	0.40	-	-	3.14	3.14	-
Provision for donation	0.70	(0.08)	-	-	0.62	0.62	-
Impairment allowance for loans	24.40	33.65	-	-	58.05	58.05	-
Expenses incurred on Initial Public Offering	8.10	(1.46)	-	(2.26)	4.38	4.38	-
Other items	5.44	2.90	7.46	-	15.80	15.80	-
Net Deferred tax assets / (liabilities)	**43.14**	**35.93**	**7.46**	**(2.26)**	**84.27**	**84.27**	**-**

-

(E) The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets (net)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Income tax assets	593.58	492.70
Income tax liabilities	564.11	475.11
Total	**29.47**	**17.59**

30 Employee benefits

A. Defined benefit plan
Gratuity
The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees . Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity is a funded plan and the Company makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity fund.

B. Defined contribution plan
The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Company are administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Company recognised ₹ 15.31 crores (March 31, 2020: ₹ 12.26 crores) for Provident fund contributions and ₹ 4.75 crores (March 31, 2020: ₹ 4.62 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

30.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	14.26	10.35
Current service cost	4.30	3.61
Interest cost	0.94	0.61
Past service cost	-	-
Benefits settled	(0.79)	(0.38)
Actuarial (gains) / losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	0.27	(1.21)
- Changes in demographic assumptions	0.48	(0.69)
- Changes in financial assumptions	(1.18)	1.97
Obligation at the end of the year	**18.28**	**14.26**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	10.57	6.21
Interest income on plan assets	0.82	0.49
Re-measurement- actuarial gain	(0.21)	0.12
Return on plan assets recognised in other comprehensive income	-	-
Contributions	3.69	4.13
Benefits settled	(0.79)	(0.38)
Plan assets at the end of the year, at fair value	**14.08**	**10.57**
Net defined benefit liability	**4.20**	**3.69**

30.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Current service cost	4.30	3.61
Interest cost	0.12	0.12
Net gratuity cost	**4.42**	**3.73**

30.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	0.27	(1.21)
- Changes in demographic assumptions	0.48	(0.69)
- Changes in financial assumptions	(1.18)	1.97
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.21	(0.12)
Total actuarial gain / (losses) included in OCI	**(0.22)**	**(0.05)**

30.4 Plan assets

Particulars	March 31, 2021	March 31, 2020
Funds managed by insurer	100%	100%

30.5 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.79%	6.03%
Future salary growth	10.00%	10.00%
Attrition rate	22.85%	24.80%
Average term of liabilty (in years)	7.79	9.05

30.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crore

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.45)	1.72	(1.13)	1.34
Future salary growth (1% movement)	1.48	(1.29)	1.13	(0.99)
Attrition rate (1% movement)	(0.48)	0.54	(0.41)	0.47

30.7 Expected contribution to the plan for the next annual reporting period is ₹ 5.74 crores.
The weighted average duration of the defined benefit obligation is 7.79 years (March 2020-9.47 years). The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2021								
Gratuity	2.17	1.67	1.41	1.22	1.02	3.57	29.17	40.23
Total	**2.17**	**1.67**	**1.41**	**1.22**	**1.02**	**3.57**	**29.17**	**40.23**
31 March, 2020								
Gratuity	1.72	1.24	1.03	0.86	0.75	2.45	20.10	28.15
Total	**1.72**	**1.24**	**1.03**	**0.86**	**0.75**	**2.45**	**20.10**	**28.15**

30.8 Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields -
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk -
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy -
The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Code on Social Security
The Indian Parliament has approved the Code on Social Security, 2020 (the "Code") which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

31 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,874.59	-	**1,874.59**
(b)	Bank balance other than cash and cash equivalents	11.02	60.36	**71.38**
(c)	Other receivables	-	-	**-**
(d)	Loans	6,122.49	3,595.33	**9,717.82**
(e)	Investments	-	662.93	**662.93**
(f)	Other financial assets	85.27	24.53	**109.80**
(2)	**Non-financial assets**			**-**
(a)	Current tax assets (net)	-	29.47	**29.47**
(b)	Deferred tax assets (net)	-	115.01	**115.01**
(c)	Property, plant and equipment	-	18.37	**18.37**
(d)	Right to use assets	-	66.66	**66.66**
(e)	Intangible assets	-	15.73	**15.73**
(f)	Intangible assets under development	-	0.62	**0.62**
(g)	Other non-financial assets	13.27	1.14	**14.41**
	Total assets	**8,106.64**	**4,590.15**	**12,696.79**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	25.19	-	**25.19**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	145.07	-	**145.07**
(b)	Borrowings *			
	- Debt securities	400.45	1,105.59	**1,506.04**
	- Borrowings (other than debt securities)	4,284.26	2,965.42	**7,249.68**
	- Subordinated liabilities	25.00	-	**25.00**
(c)	Other financial liabilities	15.15	66.48	**81.63**
(2)	**Non-financial liabilities**			
(a)	Provisions	8.52	11.16	**19.68**
(b)	Other non-financial liabilities	9.69	-	**9.69**
(3)	**Equity**			
(a)	Equity share capital	-	155.58	**155.58**
(b)	Other equity	-	3,479.23	**3,479.23**
	Total liabilities and equity	**4,913.33**	**7,783.46**	**12,696.79**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders

(B) Maturity analysis of assets and liabilities as at March 31, 2020

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	564.62	-	**564.62**
(b)	Bank balance other than cash and cash equivalents	2.77	13.05	**15.82**
(c)	Other receivables	0.22	-	**0.22**
(d)	Loans	5,349.99	3,822.65	**9,172.64**
(e)	Investments	-	661.44	**661.44**
(f)	Other financial assets	34.76	10.98	**45.74**
				-
(2)	**Non-financial assets**			**-**
(a)	Current tax assets (net)	-	17.59	**17.59**
(b)	Deferred tax assets (net)	-	84.27	**84.27**
(c)	Property, plant and equipment	-	24.19	**24.19**
(d)	Right to use assets	-	52.93	**52.93**
(e)	Intangible assets	-	9.50	**9.50**
(f)	Intangible assets under development	-	2.84	**2.84**
(g)	Other non-financial assets	6.00	3.86	**9.86**
	Total assets	**5,958.38**	**4,703.30**	**10,661.66**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	18.36	-	**18.36**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	61.48	-	**61.48**
(b)	Borrowings			
	- Debt securities	298.17	356.90	**655.07**
	- Borrowings (other than debt securities)	4,167.83	2,974.66	**7,142.49**
	- Subordinated liabilities	-	25.00	**25.00**
(c)	Other financial liabilities	14.21	50.86	**65.07**
(2)	**Non-financial liabilities**			
(a)	Provisions	7.53	8.49	**16.02**
(b)	Other non-financial liabilities	9.09	-	**9.09**
(3)	**Equity**			
(a)	Equity share capital	-	143.99	**143.99**
(b)	Other equity	-	2,525.09	**2,525.09**
	Total liabilities and equity	**4,576.67**	**6,084.99**	**10,661.66**

32 Transfer of financial assets

a) Transferred financial assets that are not derecognised in their entirety.

The Company has not transferred any assets that are not derecognised in their entirety.

b) Transferred financial assets that are derecognised.

The Company has assigned loans (earlier measured at FVTOCI) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Company’s Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

₹ in crore

Particulars	March 31,2021	March 31,2020
Direct assignments		
Carrying amount of derecognised financial assets	1,203.83	649.64
Gain from derecognition	100.14	45.96

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

c) Transferred financial assets that are derecognised in their entirety.

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

33 Contingent liabilities

Contingent liabilities not provided for in respect of the below:

₹ in crore

(a)

Particulars	March 31, 2021	March 31, 2020
Performance security provided by the Company pursuant to service provider agreement	0.11	0.12

(b) Pertaining to Assessment Year 2017-18 (Financial year 2016-17)

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.6.50 Cr from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demand is not tenable and expects to succeed in its appeal.

(c) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

34 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
For purchase / development of computer software	0.87	1.23

35 Leases

35.1 Company as a leasee

The company's leased assets mainly comprise office building and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and server leases are ranging from 1-10 years. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

35.2 Total lease liabilities are analysed as follows:

₹ in crore

Lease liabilities	March 31, 2021	March 31, 2020
Current	7.88	9.25
Non-current	66.48	50.86
Total	**74.36**	**60.11**

35.3 Amounts recognised in the statement of profit and loss

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets		
Buildings	3.64	3.79
Computers	7.83	3.66
Total	**11.47**	**7.45**
Expense relating to short-term leases (included in other expenses)	14.99	12.89
Interest on lease liabilities (included in finance costs)	6.39	5.65

35.4 Total cash outflow for leases and commitments for short-term leases

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Total cash outflow for leases	28.93	28.07
Total commitments for short-term leases	6.44	6.77

35.5 The Company had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2021	March 31, 2020
Computers	7.59	-

35.6 The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crore

Maturity analysis:	March 31, 2021	March 31, 2020
Less than 1 year	15.22	13.59
Between 1 and 2 years	14.83	11.60
Between 2 and 5 years	41.00	33.20
More than 5 years	37.65	37.26
Total	**108.70**	**95.65**

35.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Balance as at April 1, 2020	60.11	48.58
Additions during the period	25.20	11.80
Finance cost incurred during the period	6.39	5.65
Payment of lease liabilities	(17.34)	(5.92)
Balance as of March 31, 2021	**74.36**	**60.11**

Note: Refer Note 11(A) for movement in right to use of assets.

36 Related party transactions

Names of the related parties *(as per IndAS – 24)*

Key management personnel and Additional Director of MMFL (w.e.f March 18, 2020)	Mr. Udaya Kumar Hebbar, Managing Director & CEO
Key management personnel - Director-Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020)	Mr. Diwakar B R (Resigned on November 06, 2020)
Holding Company	CreditAccess India NV (Formerly known as CreditAccess Asia NV)
Subsidiary Company	Madura Micro Finance Limited (From March 18, 2020)
Chairman (from October 30, 2019) & Nominee Director and Additional Director of MMFL (w.e.f. March 18, 2020)	Mr. Paolo Brichetti
Independent Director	Mr. R Prabha (Cessation of office on November 03, 2020)
Independent Director	Mr. Anal Kumar Jain (upto June 25, 2020)
Independent Director	Ms. Sucharita Mukherjee
Vice Chairman & Lead Independent Director (w.e.f. February 11, 2021)	Mr. George Joseph
Additional & Independent Director (w.e.f.October 30, 2019) and Additional Director of MMFL (w.e.f. March 18, 2020)	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Additional & Independent Director	Ms. Lilian Jessie Paul (from September 16, 2020)

₹ in crore

Particulars	**Key management personnel**	
	March 31, 2021	**March 31, 2020**
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	2.21	1.97
Employee Stock Options exercised	0.11	0.41
Mr. Diwakar B R		
Salary and perquisites	1.46	1.09
Employee Stock Options exercised	0.07	0.34
Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.		
Sitting fees	**March 31, 2021**	**March 31, 2020**
Mr. R Prabha	0.06	0.08
Mr. Paolo Brichetti	0.08	0.04
Mr. Sumit Kumar	0.06	0.02
Mr. Massimo Vita	0.07	0.02
Mr. Anal Kumar Jain	0.02	0.04
Mr. M N Gopinath	-	0.01
Ms. Sucharita Mukherjee	0.04	0.02
Mr. George Joseph	0.09	0.07
Mr. Manoj Kumar	0.08	0.01
Ms. Lilian Jessie Paul	0.03	-
	Other related parties	
Commission	**March 31, 2021**	**March 31, 2020**
Mr. R Prabha	0.07	0.07
Mr. Anal Kumar Jain	0.06	0.08
Mr. M N Gopinath	(0.08)	0.03
Ms. Sucharita Mukherjee	0.07	0.03
Mr. George Joseph	0.07	0.08
Mr. Manoj Kumar	0.06	0.02

36 Related party transactions (continued)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Transactions during the year		
Holding Company		
Arranger fee	-	1.75
Subsidiary Company		
Investment in subsidiary *	1.49	661.24
Transfer of license	0.48	-
Other services	0.64	-

* Represents acquisition of controlling stake from previous shareholders of Madura Micro Finance Limited.

₹ in crore

Particulars	Holding Company	
	March 31, 2021	March 31, 2020
Balances at the end of the year		
Subsidiary Company		
Investment in subsidiary	662.73	661.24
	Other related parties	
Sitting fees payable	**March 31, 2021**	**March 31, 2020**
Mr. Paolo Brichetti	0.02	0.04
Mr. Massimo Vita	0.02	0.02
Mr. Sumit Kumar	0.01	0.02
	Other related parties	
Commission payable	**March 31, 2021**	**March 31, 2020**
Mr. R Prabha	0.07	0.08
Mr. Anal Kumar Jain	0.06	0.06
Mr. M N Gopinath	-	0.08
Ms. Sucharita Mukherjee	0.06	0.05
Mr. George Joseph	0.07	0.07
Mr. Manoj Kumar	0.03	-
	Subsidiary Company	
License and other service charges receivables	**March 31, 2021**	**March 31, 2020**
Madura Micro Finance Limited	1.12	-

37 Employee stock options

Stock options: The Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V,VI and VII represent different grants made under the plan. During year ended March 31, 2021, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1, 2018	Jan 1, 2021
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jul 08, 2020
Number of Options granted	7,16,676	6,31,339	4,43,000	4,31,000	5,21,000	9,71,000	3,75,900
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:							
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from the date of vesting
Vesting conditions	Employee to be in service at the time of vesting						
Weighted average remaining contractual life (years)							
-I	-	-	-	0.25	0.76	2.76	4.76
-II	-	-	-	1.25	1.76	3.76	5.76
-III	-	-	0.17	2.25	2.76	3.76	6.76
-IV	0.00	0.50	1.17	3.25	3.76	4.76	7.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	224.32

Additional disclosures for Tranche VII - granted during the current year:

Particulars	Tranche VII
Share price on the date of Grant (in Rs.)	768.85
Expected volatality (%)	
I	58.89%
II	52.16%
III	49.37%
IV	49.82%
Risk free interest rate (%)	
I	4.34%
II	4.99%
III	5.62%
IV	6.03%
Fair value per option (in Rs.)	
I	184.06
II	207.75
III	235.30
IV	270.19

37 Employee stock options (continued)

Reconciliation of options:

Particulars	March 31, 2021	March 31, 2020
Tranche I		
Options outstanding at the beginning of the year	-	5,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	4,500
Expired during the year	-	750
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	7,500	11,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,000	2,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	4,000	7,500
Exercisable at the end of the year	4,000	7,500
Tranche III		
Options outstanding at the beginning of the year	38,500	1,39,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	29,500	99,250
Expired during the year	1,500	1,500
Outstanding at the end of the year	7,500	38,500
Exercisable at the end of the year	7,500	38,500
Tranche IV		
Options outstanding at the beginning of the year	2,52,250	3,36,750
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	69,000	84,500
Expired during the year	-	-
Outstanding at the end of the year	1,83,250	2,52,250
Exercisable at the end of the year	1,83,250	1,44,500
Tranche V		
Options outstanding at the beginning of the year	3,56,300	4,36,550
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	34,850	80,250
Expired during the year	7,500	-
Outstanding at the end of the year	3,13,950	3,56,300
Exercisable at the end of the year	3,13,950	2,26,050
Tranche VI		
Options outstanding at the beginning of the year	6,88,525	8,79,080
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,45,908	1,62,198
Expired during the year	22,274	28,357
Outstanding at the end of the year	5,20,343	6,88,525
Exercisable at the end of the year	3,16,591	2,52,489
Tranche VII		
Options outstanding at the beginning of the year	-	-
Granted during the year	3,75,900	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	3,75,900	-
Exercisable at the end of the year	-	-

38 Revenue from contracts with customers

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
(A) Type of services		
Service fees for management of assigned portfolio of loans	0.09	0.26
Service and administration charges	3.01	3.77
Distribution Income	5.39	0.92
Total	**8.49**	**4.95**

(B) Geographical markets

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
India	8.49	4.95
Outside India	-	-
Total	**8.49**	**4.95**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Services transferred at a point in time	8.49	4.95
Services transferred over time	-	-
Total	**8.49**	**4.95**

Receivables

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Distribution income	1.07	0.55

39 Financial instruments – fair values

39.1 Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crore

Financial assets (assets measured at fair value)	March 31, 2021			March 31, 2020		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	8,893.33	-	-	7,765.48
Investments *	-	-	0.20	-	-	0.20
Total	**-**	**-**	**8,893.53**	**-**	**-**	**7,765.68**

* Investment above does not include investment in subsidiary, which is measured at cost in accordance with Ind AS 27.

Fair values of Loans and Investments designated under FVOCI have been measured under level 2 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest.

₹ in crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2021				March 31, 2020			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	824.49	-	-	834.33	1,407.16	-	-	1,377.06
Total	**824.49**	**-**	**-**	**834.33**	**1,407.16**	**-**	**-**	**1,377.06**
Debt securities	1,506.04	-	-	1,539.94	655.07	-	-	437.21
Borrowings (other than debt securities)	7,249.68	-	-	7,319.46	7,142.49	-	-	7,304.04
Subordinated liabilities	25.00	-	-	25.93	25.00	-	-	26.33
Lease Liability	74.36	-	-	74.74	60.11	-	-	60.11
Total	**8,855.08**	**-**	**-**	**8,960.07**	**7,882.67**	**-**	**-**	**7,827.69**

Note:
The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, other financial assets/liabilities and trade and other payables approximate the fair value because of their short-term nature.

There were no transfers between Level 3 and Level 1/Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)
Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

Financial liabilities measured at amortised cost
The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

40 Risk Management

40.1 Introduction and risk profile

CreditAccess Grameen Limited ("Company") is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

40.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Risk Management committee comprising of MD&CEO, CFO, CAO, CBO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

40.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

40.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.
Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.
As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.
All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC.
The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

40.1.d Risk Management Strategies

Excessive risk concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:
• Low cost operations and low pricing for customers.
• Customer centric approach, high customer retention.
• Rural focus.
• Systematic customer awareness activities.
• High social focused activities.
• Adherence to client protection guidelines.
• Robust grievance redressal mechanism.
• Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
• District centric approach.
• District exposure cap.
• Restriction on growth in urban locations.
• Maximum disbursement cap per loan account.
• Maximum loan exposure cap per customer.
• Diversified funding resources.

Operational & HR Risk mitigation measures:
• Stringent customer enrolment process.
• Multiple products.
• Proper recruitment policy and appraisal system.
• Adequately trained field force.
• Weekly & fortnightly collections – higher customer touch, lower amount instalments.
• Multilevel monitoring framework.
• Strong, Independent and fully automated Internal Audit function.
• Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
• Diversified funding resources.
• Asset liability management.
• Effective fund management.
• Maximum cash holding cap.

Expansion risk mitigation measures:
• Contiguous growth.
• District centric approach.
• Rural focus.
• Branch selection based on census data & credit bureau data.
• Three level survey of the location selected.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Company. Credit risk is the core business risk of the Company. The Company therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Company is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Company has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the company follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in company.
Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The company ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each company's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS, automated KYC checks and biometric.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk

40.2 Impairment assessment
The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

40.2.a Definition of default, significant increase in credit risk and stage assessment
For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 60 / 90 days on any material credit obligation to the company.

Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Company granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(i) Joint liability loans (JLG)
Unlike banks which have more of monthly repayments, the Company offers products with primarily weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Company has identified the following stage classification to be the most appropriate for its JLG :
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Individual loans
Since Individual loans are on monthly repayment model, the Company has identified the following stage classification to be the most appropriate for these loans :
Stage 1: 0 to 30 DPD.
Stage 2: 30 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

40.2.b Probability of Default ('PD')
(i) Joint Liability Loans (JLG)
PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

(ii) Individual loans
Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a which is based on management judgement.

40.2.c Exposure at default (EAD)
Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

40.2.d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Joint liability loans (JLG)

LGD is computed as below:

The Company determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate.

In estimating LGD, the Company reviews macro-economic developments taking place in the economy.
A select group of Stage 2 and Stage3 loans exhibiting specific payment pattern has been applied an LGD which is lower than the regular LGD estimate.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

40.2.e Grouping financial assets measured on a collective basis

The Company believes that the Joint Liability Group (JLG) loans have shared risk characteristics (i.e. homogeneous) which are different from those of Individual loans (IL). Therefore, JLG and IL are treated as two separate groups for the purpose of determining impairment allowance.

40.2.f The Company's Loan book consists of a large number of customers spread over diverse geographical area, hence the Company is not exposed to concentration risk with respect to any particular customer.

40.2.g Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD/ LGD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios. The methodology and assumptions used for estimating future cash flows is reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses. Refer Note 42.

40.3 Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

The Company's objectives when managing capital are to -
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

Particulars	As at March 31, 2021	As at March 31, 2020
Tier I CRAR	30.50%	22.30%
Tier II CRAR	1.25%	1.30%
	31.75%	**23.60%**

40.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CAGL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 40.3 with respect to regulatory capital of the Company as at the reporting dates.

Liquidity assessment as on March 31, 2021

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings *									
Debt securities	3.13	12.84	59.23	104.03	321.27	1,150.04	114.63	-	**1,765.17**
Borrowings (other than debt securities)	400.29	329.89	445.35	1,206.75	2,352.27	3,036.07	192.87	-	**7,963.49**
Subordinated liabilities	0.30	0.31	0.30	0.93	25.63	-	-	-	**27.47**
Total	**403.72**	**343.04**	**504.88**	**1,311.71**	**2,699.17**	**4,186.11**	**307.50**	**-**	**9,756.13**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

Liquidity assessment as on March 31, 2020

₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	-	10.14	53.19	182.64	58.36	267.62	246.97	-	**818.92**
Borrowings (other than debt securities)	304.39	168.83	439.53	1,154.44	2,033.41	3,322.38	683.23	-	**8,106.21**
Subordinated liabilities	0.30	0.31	0.30	0.93	1.84	27.48	-	-	**31.16**
Total	**304.69**	**179.28**	**493.02**	**1,338.01**	**2,093.61**	**3,617.48**	**930.20**	**-**	**8,956.29**

40.5 Market Risk

40.5.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

40.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

In case of CAGL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only some of the liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2020-21	Effect on profit / loss and equity for the year 2019-20
Borrowings			
Increase in basis points	+ 25	(11.21)	(7.82)
Decrease in basis points	- 25	11.21	7.82

40.5.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract. The Company currently does not have any exposure to Foreign currency.

40.5.4 Changes in liabilities arising from financing activities

₹ in crore

Particulars	As at March 31,2020	Cash flows	Others	As at March 31, 2021
Debt securities	655.07	825.84	25.13	1,506.04
Borrowings (other than debt securities)	7,142.49	108.39	(1.20)	7,249.68
Subordinated liabilities	25.00	-	0.00	25.00
Lease liabilities	60.11	(17.35)	31.60	74.36
Total liabilities from financing activities	**7,882.67**	**916.88**	**55.53**	**8,855.08**

₹ in crore

Particulars	As at March 31,2019	Cash flows	Others	As at March 31, 2020
Debt securities	556.16	88.72	10.19	655.07
Borrowings (other than debt securities)	4,114.50	3,012.59	15.40	7,142.49
Subordinated liabilities	37.07	(11.39)	(0.68)	25.00
Lease liabilities	-	(5.93)	66.04	60.11
Total liabilities from financing activities	**4,707.73**	**3,084.00**	**90.94**	**7,882.67**

41 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2021 or March 31, 2020.

42 Impact of COVID 19

(a) Expected Credit Losses

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The potential impact of the COVID-19 pandemic on the Company's financial performance are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the second wave of COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Company and its subsequent impact on the recoverability's on the Company's assets. The Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets including the additional overlay of approximately ₹ 103 crore for uncertainty over the potential macro-economic impact of the pandemic.

Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes to future economic conditions.

(b) Payment of Ex-gratia benefit

The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest ("differential amount") for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has not charged compound interest to any of its customers except 151 cases of Individual lending, wherein the differential amount of ₹ 0.03 cores has been credited on November 5, 2020 to the respective customer account.

(c) Interest on interest

In accordance with the instructions in the circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been finalised by the Indian Banks Association (IBA) in consultation with other industry participants / bodies, on April 19, 2021. The Company does not have any such refund/interest reversal liability as at March 31, 2021.

43 Business combination

During the previous year, the Company has completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI) which will subsequently be followed by an amalgamation of MMFL's business with the Company, subject to obtaining necessary approvals from various regulatory authorities. During the current year, the Company has further acquired 12,241 equity shares, representing 0.17% of the paid-up equity share capital of MMFL, taking the aggregate shareholding of the Company in MMFL to 76.25 %.

44 Earnings per share (EPS)

The following reflects the profit after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2021	March 31, 2020
Net profit after tax as per statement of profit and loss (₹ in crores)	142.39	327.50
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	142.39	327.50
Weighted average number of equity shares in calculating basic EPS	14,95,40,013	14,37,65,813
Stock options granted under ESOP	10,03,028	12,28,624
Weighted average number of equity shares in calculating dilutive EPS	15,05,43,041	14,49,94,437
Earnings per share	9.52	22.78
Dilutive earnings per share	9.46	22.59
Nominal value per share	10.00	10.00

45 Disclosures pursuant to the Master Direction- Non-Banking Financial Company-Systematically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time ('the Master Directions') issued by the RBI

a. Capital to risk assets ratio ('CRAR'):

₹ in crore

Particulars	March 31, 2021	March 31, 2020
CRAR-Tier I Capital (%)	30.50%	22.30%
CRAR-Tier II Capital (%)	1.25%	1.30%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

b. Investments

₹ in crore

Particulars	March 31, 2021	March 31, 2020
1. Value of Investments		
(i) Gross value of investments		
(a) in India	662.93	661.44
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	662.93	661.44
(b) outside India	-	-
2. Movement of provision held towards depreciation		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provision	-	-
(iv) Closing balance	-	-

c. Derivatives
The Company has no transactions / exposure in derivatives in the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2021 (March 31, 2020: Nil).

d. Disclosure related to securitization
During the year the Company has not transferred any loans through securitization.

₹ in crore

Particulars	March 31, 2021	March 31, 2020
No of SPVs sponsored by the NBFC for securitization transactions	-	1
Amount of securitized assets as per books of SPV sponsored by NBFC	-	110.35
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	-	11.59
a. Off-balance sheet exposure		
• First loss	-	-
• Others	-	-
b. On-balance sheet exposure		
• First loss – cash collateral	-	4.97
• Others	-	-
Amount of exposures other than MRR		
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
• First loss	-	-
• Loss	-	-
ii. Exposure to third party transactions		
• First loss	-	-
• Others	-	-
b. On-balance sheet exposure		
i. Exposure to own securitizations		
• Others	-	-
ii. Exposure to third party transactions		
• First loss	-	-
• Others	-	-

e. Details of financial assets sold to securitization / reconstruction company for asset reconstruction:
The Company has not sold any financial asset to securitization / reconstruction company for asset reconstruction in the current and previous year.

f. Details of assignment transactions:
The Company has undertaken 4 assignment transactions during the current year (March 31, 2020: 4 transactions).

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Number of loans assigned	3,93,980	3,37,660
Aggregate value (net of provisions) of accounts sold	1,203.83	649.64
Aggregate consideration *	1,203.83	649.64
Aggregate gain over net book value	100.14	45.96

* this represents principal amount outstanding as at the date of transaction adjusted for any specific provisions.

g. Details of non-performing financial asset purchased / sold:
The Company has not purchased / sold any non-performing financial assets in the current and previous year.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2021

h. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2021: ₹ in crore

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	35.58	139.28	199.83	300.09	459.18	1,138.10	2,437.65	3,784.47	286.54	-	**8,780.72**
Advances	142.24	122.97	319.24	552.07	637.23	1,603.34	2,843.95	3,494.21	126.78	-	**9,842.03**
Investments	-	-	-	-	-	-	-	-	-	662.93	**662.93**

Note applicable for FY 2020-21

1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders
2. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

Maturity pattern of assets and liabilities as on March 31, 2020: ₹ in crore

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	125.42	27.14	122.45	113.66	471.65	1,170.84	1,841.10	3,122.13	828.17	-	**7,822.56**
Advances	0.51	0.22	3.58	2.48	325.45	1,860.95	3,148.45	3,848.41	33.23	5.18	**9,228.46**
Investments	-	-	-	-	-	-	-	-	-	661.44	**661.44**

Note applicable for FY 2019-20

1.The maturity pattern of advances has been presented considering the effect of revised contractual dues of loans pursuant to moratorium granted to its borrowers upto May 31, 2020. Such maturity pattern does not reflect additional moratorium upto August 31, 2020 allowed by the RBI vide its notification dated May 23, 2020 as it represents an event subsequent to the date of these standalone financial statements.

2.The maturity pattern of borrowings has been presented considering the effect of moratorium on contractual repayments upto May 31, 2020 to the extent confirmed by the lenders subsequently.

3. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2021

i. Exposures:

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

j. Details of Financing of Parent Company Products

The Company was not involved in the financing of Parent Company products.

k. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year.

l. 'Registration obtained from other financial regulators:

Regulator - Insurance Regulator and Development Authority	Registration No.	Validity
Corporate Agents for :		
- HDFC Life Insurance Company Limited	CA0642	March 15, 2019 to March 14, 2022
- ICICI Prudential Life Insurance Company Limited		
- Kotak Mahindra Life Insurance Company Limited		

m. Disclosure of penalties imposed by RBI and other regulators:

No penalties were imposed by RBI and other regulators during current and previous year.

n. Ratings assigned by credit rating agencies and migration of ratings:

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency (₹ in crores)	Valid up to
Long-term debt	ICRA	29-Dec-20	[ICRA]A+(Stable)/ [ICRA]A+(Stable)	3,500.00	31-May-21
Long-term debt	India Ratings and Research	20-Nov-20	Ind A+ Stable /Ind A+ Stable	2,000.00	19-Nov-21
Long-term debt	CRISIL	31-Dec-20	CRISIL A+ Stable/NA	2,000.00	31-Dec-21
Non-convertible debentures	ICRA	24-Mar-21	[ICRA]A+(Stable)/ [ICRA]A+(Stable)	1,065.28	31-May-21
Non-convertible debentures	ICRA	23-Mar-21	[ICRA]A+(Stable)/ NA	89.00	31-May-21
Non-convertible debentures	India Ratings and Research	20-Nov-20	Ind A+ Stable/ Ind A+ Stable	100.00	19-Nov-21
Non-convertible debentures	CRISIL	31-Dec-20	CRISIL A+ Stable/NA	25.00	31-Dec-21
Non-convertible debentures	Brickwork Ratings	30-Nov-20	BWR A+ Positive/NA	100.00	29-Nov-21
Commercial paper	ICRA	23-Mar-21	[ICRA]A1+ /	500.00	31-May-21
PP-MLD	ICRA	27-Mar-21	PP-MLD[ICRA]AA+(CE)(Stable)/NA	50.00	26-Mar-22
Organization grading	CRISIL	16-Oct-20	M1C1/M1C1	NA	15-Oct-21

o. Provisions and contingencies (shown under the head expenditure in statement of profit and loss):

₹ in crore

Particulars	For the year ended	
	March 31, 2021	**March 31, 2020**
Impairment of financial instruments	646.90	238.98
Provision for income tax	93.44	159.32
Provision for gratuity	4.42	0.05
Provision for leave encashment and availment	15.48	12.33
Provision fraud and misappropriation (net of recoveries)	0.91	1.05
Provision for other assets (net)	0.20	0.32
Total	**761.35**	**412.05**

p. Drawdown from reserves:

There has been no draw down from reserves during the year ended March 31, 2021 (previous year: Nil).

q. Concentration of advances, exposures and NPAs *

₹ in crore

Particulars	March 31, 2021	March 31, 2020 *
Concentration of advances		
Total advances to twenty largest borrowers	0.82	0.83
(%) of advances to twenty largest borrowers to total advances	0.01%	0.01%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	0.82	0.83
(%) of exposures to twenty largest borrowers / customers to total exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.14	0.06

r. Sector-wise NPAs *

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2021	Percentage of NPAs to Total Advances in that sector as at March 31, 2020
Agriculture and allied activities	2.46%	1.29%
MSME	-	-
Corporate borrowers	-	-
Services	1.35%	1.84%
Others	0.34%	1.60%
Unsecured personal loans	0.24%	0.98%
Auto loans	0.00%	1.30%
Other personal loans	-	-

s. Movement of NPAs *

₹ in crore

Particulars	March 31, 2021	March 31, 2020
(i) Net NPAs to Net Advances (%)	**1.37%**	**0.37%**
(ii) Movement of NPAs (Gross):		
Opening balance	142.10	38.54
Additions during the year	868.95	153.90
Reductions during the year	561.48	50.34
Closing balance	**449.56**	**142.10**
(iii) Movement of Net NPAs		
Opening balance	34.35	10.89
Additions during the year	141.62	23.49
Reductions during the year	39.99	0.03
Closing balance	**135.98**	**34.35**
(iv) Movement of provisions for NPAs		
Opening balance	107.75	27.65
Provisions made during the year	727.33	130.41
Write-off / write-back of excess provisions	521.49	50.31
Closing balance	**313.59**	**107.75**

* Represents Stage-III loans

t. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Average interest (a)	18.94%	19.61%
Average effective cost of borrowing (b)*	9.15%	9.79%
Net interest margin (a-b)	9.79%	9.82%

Note:

1. Above computation is in accordance with the method accepted by RBI vide its letter no DNBS.PD.NO.4906/03.10.038/2012-13 dated April 4, 2013 to Micro-finance Institutions Network (the “MFIN format”) read with the FAQs issued by RBI on October 14, 2016 and RBI circulated dated March 13, 2020 on implementation of Indian Accounting Standards.

2. Average loan outstanding determined for the purpose of calculating NIM is based on carrying value of loans under Ind AS, excluding effect of following:
a. Fair value changes recognised through other comprehensive income;
b. Securitised loans qualifying for de-recognition as per RBI’s “true sale” criteria and related interest income have not been considered for computation of “average interest charged” in accordance with the MFIN format. Accordingly, the purchase consideration received towards such securitisations and related finance costs have also not been considered for computation of “average effective cost of borrowings”.
c. Impairment allowance adjusted from the carrying value of loans in accordance with Ind AS 109;
d. Carrying value of loans classified as Stage III loans (i.e. erstwhile NPA classification) as per specific communication from RBI.

3. Interest income considered for computation of “average interest charged” excludes loan processing fee collected from customers in accordance with para 56 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS standalone financial statements.

u. Overseas Assets

The Company does not have any subsidiary / Joint venture abroad.

v. Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms).

w. Disclosure of customer complaints

Sl No	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	No. of complaints pending at the beginning of the year	-	3
(b)	No. of complaints received during the year	2,716	2,912
(c)	No. of complaints redressed during the year	2,712	2,915
(d)	No. of complaints pending at the end of the year	4	-

x. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2021: ₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	7	0.12	0.07	0.05

Instances of fraud reported during the year ended March 31, 2020: ₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	1	0.02	0.00	0.02

y. Public disclosure on Liquidity risk management

(i) Funding concentration based on significant Counterparty *(both deposits and borrowings)

As at March 31, 2021

Number of significant counterparties	Amount (Rs. in Crore)	% of Total Deposits	% of Total Liabilities
23	7,756.31	NA	85.59%

As at March 31, 2020

Number of significant counterparties	Amount (Rs. in Crore)	% of Total Deposits	% of Total Liabilities
23	7,477.92	NA	93.56%

(ii) Top 20 large deposits (amount in Rs. Crore and % of total deposits)- Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in Rs. Crore and % of total borrowings)

As at March 31, 2021

Amount (Rs in Crore)	% of Total Borrowings
5,891.45	67.10%

As at March 31, 2020

Amount (Rs in Crore)	% of Total Borrowings
5,722.29	73.15%

(iv) Funding concentration based on significant instrument / product* ₹ in Crore

Name of the instrument/ product	March 31, 2021	% of Total Liabilities	March 31, 2020	% of Total Liabilities
Term loans from Banks	5,115.80	56.45%	5,088.24	63.66%
Term Loans from Financial Institutions	1,783.72	19.68%	1,668.89	20.88%
Non Convertible Debentures	1,506.04	16.62%	655.07	8.20%
External commercial borrowings	225.51	2.49%	224.41	2.81%
Term Loans from Non banking Financial Companies	124.65	1.38%	160.95	2.01%

(v) Stock Ratios

As at March 31, 2021

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	3.07%	2.25%	1.60%

As at March 31, 2020

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	1.94%	1.43%	1.07%

(vi) Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub-committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

Chief Risk Officer shall be part of the process of identification, measurement and mitigation of liquidity risks.

The ALM support group consist of CFO and Head-Treasury who shall be responsible for analysing, monitoring and reporting the liquidity profile to the ALCO.

***Notes**

1. A “Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4. “Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.

5. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2021.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2021

z. Asset classification as per IRAC norms

As at March 31, 2021 ₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I	9,669.74	174.39	9,495.35	39.42	134.97
	Stage II	114.30	27.81	86.49	1.04	26.77
Subtotal		**9,784.04**	**202.20**	**9,581.84**	**40.46**	**161.74**
Non-Performing Assets (NPA)						
Substandard	**Stage III**	**449.57**	**313.59**	**135.98**	**68.50**	**245.09**
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**449.57**	**313.59**	**135.98**	**68.50**	**245.09**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage I**	**9,669.74**	**174.39**	**9,495.35**	**39.42**	**134.97**
	Stage II	**114.30**	**27.81**	**86.49**	**1.04**	**26.77**
	Stage III	**449.57**	**313.59**	**135.98**	**68.50**	**245.09**
	Total	**10,233.61**	**515.79**	**9,717.82**	**108.96**	**406.83**

Notes:
1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

As at March 31, 2020 ₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 & 2 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I	9,267.90	144.92	9,122.98	64.55	80.37
	Stage II	28.39	13.08	15.31	1.42	11.66
Subtotal		**9,296.29**	**158.00**	**9,138.29**	**65.97**	**92.03**
Non-Performing Assets (NPA)						
Substandard	**Stage III**	**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage I**	**9,267.90**	**144.92**	**9,122.98**	**64.55**	**80.37**
	Stage II	**28.39**	**13.08**	**15.31**	**1.42**	**11.66**
	Stage III	**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
	Total	**9,438.39**	**265.75**	**9,172.64**	**93.26**	**172.49**

Notes
1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

2. Includes additional provision pursuant to the RBI notification dated April 17, 2020 on accounts classified as standard but overdue as at February 29, 2020.

aa. Disclosures pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April, 2020 on 'COVID-19 Regulatory Package - Asset Classification and Provisioning' in respect of SMA/overdue categories, where the moratorium/deferment was extended.

₹ in crore

Asset classification as per Ind AS 109	31-Mar-21	31-Mar-20
I) Respective amounts In SMA/Overdue categories. where the Moratorium/deferment was extended *	9.95	178.48
Ii) Respective amount where asset classification benefits is extended $	2.82	18.91
iii) Provision made on the cases where asset classification benefit is extended #	NA	NA
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	NA	NA

Note: amount represents principal outstanding only.

* Outstanding as on March 31, 2021 and March 31, 2020 respectively on account of all cases in SMA / overdue categories where moratorium benefit was extended by the Company as at March 31, 2020.

$ Represents outstanding balances as on March 31, 2021 and March 31, 2020 with respect to accounts which were not classified as Stage III (non-performing assets) as at March 31, 2020 due to moratorium.

The Company has made adequate provision for impairment loss allowance (as per ECL model) for the year ended March 31, 2021 and March 31, 2020. No specific loan level provisioning is made with respect to loan to which asset classification benefit was extended.

ab. The Company has not disbursed any loans against the security of gold.

ac .Disclosure of Resolution plan invoked under RBI's "Resolution Framework for COVID-19-related Stress" Guidelines.

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020. The Disclosure as per format prescribed under notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the year ended 31 March 2021 is as follows:

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan (₹ in crore)	(C) Of (B), aggregate amount of debt that was converted into other securities (₹ in crore)	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (₹ in crore)	(E) Increase in provisions on account of the implementation of the resolution plan (₹ in crore)
Personal Loans *	13,300	49.57	-	27.50	$
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**13,300**	**49.57**	**-**	**27.50**	**-**

Note: amount represents principal outstanding only.

* Includes joint liability group loan (JLG) and individual loan (IL).

$ Management has considered above restructured loans as Stage3 loans (NPA) and adequate provision is made as per the ECL model.

ad. Liquidity Coverage Ratio Disclosure

Institutional set-up for liquidity risk management

The RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

The disclosure on Liquidity Coverage Ratio of the Company for the year ended March 31, 2021 is as under:

As at 31st March 2021 ₹ in crore

	Particulars	**Total unweighted value (average) @**	**Total weighted value (average) $**
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	-	-
	Cash and bank balance	204.53	204.53
	Short term fixed deposit	-	-
		204.53	**204.53**
Cash outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	-	-
4	Secured wholesale funding	-	-
5	Additional requirements, of which		
	(i) Outflows related to derivative exposures and other collateral requirements	-	-
	(ii) Outflows related to loss of funding on debt products	-	-
	(iii) Credit and liquidity facilities	-	-
6	Other contractual funding obligations	525.47	604.29
7	Other contingent funding obligations	-	-
8	**TOTAL CASH OUTFLOWS**	**525.47**	**604.29**
Cash inflows			
9	Secured lending	-	-
10	Inflows from fully performing exposures	733.50	550.13
11	Other cash inflows #	1,547.79	1,160.84
12	**TOTAL CASH INFLOWS**	**2,281.29**	**1,710.97**
13	Total HQLA		204.53
14	Total net cash outflows		151.07
11	Liquidity Coverage Ratio (%)		135.39%

@ Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated basis simple average of month-end observations for Q4-FY2021.

$ Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

Other cash inflows includes Fixed deposit placed with banks and proceeds from redemption of mutual funds.

CreditAccess Grameen Limited
Notes to standalone financial statements for the year ended March 31, 2021

ae. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended:

₹ in crore

	Particulars	March 31, 2021		March 31, 2020	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side :				
1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured	1,506.04	-	655.07	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	7,274.68	-	7,167.48	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (Working Capital Loans from Banks)	-	-	-	-

₹ in crore

	Particulars	March 31, 2021	March 31, 2020
		Amount Outstanding	Amount Outstanding
	Assets side :		
2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] (net carrying value):**		
	(a) Secured	5.74	6.10
	(b) Unsecured	9,712.08	9,166.54
3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
4)	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Certificate of Deposits and Commercial Paper)		
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	662.93	661.44
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

ae. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended (continued)

5) Borrower group-wise classification of assets financed as in (2) and (3) above :

₹ in crore

Category	March 31, 2021			March 31, 2020		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	5.74	9,712.08	9,717.82	6.10	9,166.54	9,172.64
Total	**5.74**	**9,712.08**	**9,717.82**	**6.10**	**9,166.54**	**9,172.64**

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in crore

Category	March 31, 2021		March 31, 2020	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **				
(a) Subsidiaries	755.53	662.73	661.24	661.24
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	NA	0.20	NA	0.20
Total		**662.93**		**661.44**

** As per Ind AS

7) Other information

₹ in crore

Particulars	March 31, 2021			March 31, 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(i) Gross Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	0.26	449.30	449.56	0.02	142.08	142.10
(ii) Net Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	-	135.98	135.98	-	34.35	34.35
(iii) Assets acquired in satisfaction of debt	-	-	-	-	-	-

46 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head – Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

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Phone: 91-80-41307244
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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
CREDITACCESS GRAMEEN LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **CreditAccess Grameen Limited** (the "Parent") and its subsidiary (the Parent and its subsidiary together referred to as the "Group"), for the quarter ended June 30, 2023 (the "Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Name of the Company	Nature of relationship
1	CreditAccess Grameen Limited	Parent
2	CreditAccess India Foundation	Subsidiary

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

PKF SRIDHAR & SANTHANAM LLP BANGALORE

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33, Regulation 52 and Regulation 54 read with Regulation 63(2) of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The unaudited consolidated financial results include the interim financial information of one subsidiary which has not been reviewed/audited by its auditors, whose interim financial results reflect total revenues of ₹ 3.07 crore for the quarter ended June 30, 2023 and total net profit after tax of ₹2.17 crore for the quarter, as considered in the Statement. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

   Our Conclusion is not modified in respect of our reliance on the interim financial information certified by the Management.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 23109839BGXQCS4683
Place: Bengaluru
Date: July 21, 2023

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

PKF SRIDHAR & SANTHANAM LLP BANGALORE

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 23208545BGVALG5414
Place: Bengaluru
Date: July 21, 2023

CreditAccess Grameen Limited

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Email: info@cagrameen.in
Website: www.creditaccessgrameen.in
CIN: L51216KA1991PLC053425

Statement of unaudited consolidated financial results for the quarter ended June 30, 2023

₹ in crore

Sr. No.	Particulars	Quarter ended 30-Jun-23 (Unaudited)	Quarter ended 31-Mar-23 (Unaudited Refer Note 8)	Quarter ended 30-Jun-22 (Unaudited) (Restated) (Refer note 3)	Year ended 31-Mar-23 (Audited)
	Revenue from operations				
(a)	Interest income	1,105.17	964.79	736.23	3,327.13
(b)	Fees and commission	6.05	8.34	1.70	19.51
(c)	Net gain on fair value changes	2.97	3.86	5.21	18.14
(d)	Net gain on derecognition of financial instruments under amortised cost category	43.80	71.64	6.09	122.25
(e)	Bad debts recovery	12.04	16.78	10.36	58.09
I	**Total revenue from operations**	**1,170.03**	**1,065.41**	**759.59**	**3,545.12**
II	**Other income**	0.69	0.83	0.93	5.67
		0.69	**0.83**	**0.93**	**5.67**
III	**Total income (I+II)**	**1,170.72**	**1,066.24**	**760.52**	**3,550.79**
	Expenses				
(a)	Finance costs	384.92	345.64	279.80	1,212.88
(b)	Fee and commission expense	1.64	1.75	0.06	1.80
(c)	Impairment of financial instruments	76.40	105.32	100.91	401.02
(d)	Employee benefit expenses	156.32	134.52	123.90	515.24
(e)	Depreciation and amortisation expenses	12.06	12.49	11.92	49.84
(f)	Other expenses	72.01	68.97	55.12	264.59
IV	**Total expenses (IV)**	**703.35**	**668.69**	**571.71**	**2,445.37**
V	**Profit before tax (III-IV)**	**467.37**	**397.55**	**188.81**	**1,105.42**
	Tax expense				
	(1) Current tax	112.27	95.44	40.99	238.23
	(2) Deferred tax	6.64	5.54	9.27	41.13
VI	**Total tax expense (VI)**	**118.91**	**100.98**	**50.26**	**279.36**
VII	**Profit for the period / year (V-VI)**	**348.46**	**296.57**	**138.55**	**826.06**
VIII	**Other comprehensive income/ (loss)**				
(a)	(1) Items that will not be reclassified to profit or loss	(3.67)	0.48	1.24	(0.60)
	(2) Income tax relating to items that will not be reclassified to profit or loss	0.92	(0.13)	(0.31)	0.15
	Subtotal (a)	**(2.75)**	**0.35**	**0.93**	**(0.45)**
(b)	(1) Items that will be reclassified to profit or loss (Refer note 7)	(11.35)	13.83	35.46	11.84
	(2) Income tax relating to items that will be reclassified to profit or loss	2.86	(3.48)	(8.93)	(2.98)
	Subtotal (b)	**(8.49)**	**10.35**	**26.53**	**8.86**
	Other comprehensive income/(loss) (VIII = a+b)	**(11.24)**	**10.70**	**27.46**	**8.41**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income/(loss) for the period / year)**	**337.22**	**307.27**	**166.01**	**834.47**
X	**Paid-up equity share capital (face value of ₹ 10 each)**	158.93	158.91	155.93	158.91
XI	**Other Equity**				4,948.06
XII	**Earnings per equity share (face value of ₹ 10 each)**				
	Basic (in ₹) *	21.93	18.67	8.74	52.04
	Diluted (in ₹) *	21.80	18.59	8.69	51.82

* EPS for the quarters ended are not annualised.

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

Deloitte Haskins & Sells Chartered Accountants

PKF Sridhar & Santhanam LLP Bangalore

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CIN: L51216KA1991PLC053425

Statement of unaudited consolidated financial results for the quarter ended June 30, 2023

Notes:

1 The above consolidated financial results of CreditAccess Grameen Limited (the "Holding Company") and its subsidiary (collectively referred to as the "Group") for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 21, 2023 in accordance with the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These Consolidated financial results include results of following subsidiaries.

Name of the subsidiaries	% of shareholding and voting power held
CreditAcess India Foundation	100.00%

2 The financial results of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2021 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The Group has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2023.

3 The Holding Company had received all regulatory approvals on amalgamation of Madura Micro Finance Limited ("erstwhile subsidiary") with CreditAccess Grameen Limited on February 07, 2023. Due to the aforesaid merger being effective from the Appointed Date, i.e., April 1, 2020, the amounts of the Group for the quarter ended June 30, 2022 have been recast / restated.

4 The Group operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Group operates in a single geographical segment i.e. domestic.

5 The Holding Company, during the quarter ended June 30, 2023 has allotted 20,965 number of equity shares each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).

6 Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2023 is attached as Annexure I.

7 During the quarter ended June 30, 2022, the Group had reassessed its business model and concluded that Income Generating Loans (IGL) are primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding. Accordingly, as required under Ind AS 109, IGL loans portfolio which were earlier classified as and valued at "Fair Value through other Comprehensive Income" have been classified as and valued at "Amortised cost" with effect from July 01, 2022. Consequently, the Group has reversed accumulated fair value loss and related deferred tax in other equity on July 01, 2022.

8 The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year and the adjusted year to date figures upto the end of third quarter of the respective financial year, which were subjected to Limited Review.

9 Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classification.

For and on behalf of the Board of Directors of **CreditAccess Grameen Limited**

Udaya Kumar Hebbar
Managing Director & CEO

Bengaluru
July 21, 2023

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

PKF SRIDHAR & SANTHANAM LLP BANGALORE

Our Financial Products

GrameenKoota Micro Finance

GrameenKoota Retail Finance

CreditAccess® Grameen

CreditAccess Grameen Limited

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Annexure I

Disclosure in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the quarter ended June 30, 2023

Sr. No.	Particulars	Ratio
1	Debt-Equity Ratio: *	3.12
2	Debt service coverage ratio : #	Not Applicable
3	Interest service coverage ratio: #	Not Applicable
4	Outstanding redeemable preference share (quantity)	Not Applicable
5	Outstanding redeemable preference share (Rs. In cr)	Not Applicable
6	Capital redemption reserve (Rs. in cr)	Not Applicable
7	Debenture redemption reserve (Rs. in cr)	Not Applicable
8	Net worth (Rs. in cr): **	5,398.29
9	Net profit after tax (Rs. in cr)	348.46
10	Earnings per equity share (not annualised)	
(a)	Basic (Rs.)	21.93
(b)	Diluted (Rs.)	21.80
11	Current ratio: #	Not Applicable
12	Long term debt to working capital: #	Not Applicable
13	Bad debts to account receivable ratio: #	Not Applicable
14	Current liability ratio: #	Not Applicable
15	Total debts to total assets: $	0.74
16	Debtors turnover: #	Not Applicable
17	Inventory turnover: #	Not Applicable
18	Operating margin: #	Not Applicable
19	Net profit margin: ##	29.77%

Notes:

* Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities)/Networth.

** Networth is calculated as defined in section 2(57) of Companies Act 2013.

\# The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are not applicable.

$ Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities)/total assets.

\## Net profit margin = Net profit after tax/ Total Income

CreditAccess Grameen Limited Regd. & Corp. Office ★Bengaluru★

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
CREDITACCESS GRAMEEN LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of CreditAccess Grameen Limited (the "Company"), for the quarter ended June 30, 2023 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33, Regulation 52 and Regulation 54 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 23109839BGXQCR7124
Place: Bengaluru
Date: July 21, 2023

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

PKF SRIDHAR & SANTHANAM LLP Firm Regn No: 003990S/S200018 BANGALORE

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 23208545BGVALF5420
Place: Bengaluru
Date: July 21, 2023

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Email: info@cagrameen.in
Website: www.creditaccessgrameen.in
CIN: L51216KA1991PLC053425

Statement of unaudited standalone financial results for the quarter ended June 30, 2023

₹ in crore

Sr. No.	Particulars	Quarter ended 30-Jun-23 (Unaudited)	Quarter ended 31-Mar-23 (Unaudited Refer Note 9)	Quarter ended 30-Jun-22 (Unaudited) (Restated) (Refer note 3)	Year ended 31-Mar-23 (Audited)
	Revenue from operations				
(a)	Interest income	1,105.17	964.79	736.23	3,327.13
(b)	Fees and commission	6.05	8.34	1.70	19.51
(c)	Net gain on fair value changes	2.97	3.86	5.21	18.14
(d)	Bad Debt recovery	12.04	16.78	10.36	58.09
(e)	Net gain on derecognition of financial instruments under amortised cost category	43.80	71.64	6.09	122.25
I	**Total revenue from operations**	**1,170.03**	**1,065.41**	**759.59**	**3,545.12**
II	**Other income**	0.69	0.81	0.93	5.64
		0.69	**0.81**	**0.93**	**5.64**
III	**Total income (I+II)**	**1,170.72**	**1,066.22**	**760.52**	**3,550.76**
	Expenses				
(a)	Finance costs	384.92	345.64	279.80	1,212.88
(b)	Fee and commission expense	1.64	1.75	0.06	1.80
(c)	Impairment of financial instruments	76.40	105.32	100.91	401.02
(d)	Employee benefit expenses	156.32	134.52	123.90	515.24
(e)	Depreciation and amortisation expenses	12.06	12.49	11.92	49.84
(f)	Other expenses	74.18	68.97	55.12	264.59
IV	**Total expenses (IV)**	**705.52**	**668.69**	**571.71**	**2,445.37**
V	**Profit before tax (III-IV)**	**465.20**	**397.53**	**188.81**	**1,105.39**
	Tax expense				
	(1) Current tax	112.27	95.44	40.99	238.23
	(2) Deferred tax	6.64	5.54	9.27	41.13
VI	**Total tax expense (VI)**	**118.91**	**100.98**	**50.26**	**279.36**
VII	**Profit for the period / year (V-VI)**	**346.29**	**296.55**	**138.55**	**826.03**
VIII	**Other comprehensive income/ (loss)**				
(a)	(1) Items that will not be reclassified to profit or loss	(3.67)	0.48	1.24	(0.60)
	(2) Income tax relating to items that will not be reclassified to profit or loss	0.92	(0.13)	(0.31)	0.15
	Subtotal (a)	**(2.75)**	**0.35**	**0.93**	**(0.45)**
(b)	(1) Items that will be reclassified to profit or loss (Refer Note 8)	(11.35)	13.83	35.46	11.84
	(2) Income tax relating to items that will be reclassified to profit or loss	2.86	(3.48)	(8.93)	(2.98)
	Subtotal (b)	**(8.49)**	**10.35**	**26.53**	**8.86**
	Other comprehensive income/ (loss) (VIII = a+b)	**(11.24)**	**10.70**	**27.46**	**8.41**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income/ (loss) for the period / year)**	**335.05**	**307.25**	**166.01**	**834.44**
X	**Paid-up equity share capital (face value of ₹ 10 each)**	158.93	158.91	155.93	158.91
XI	**Other Equity**				4,948.03
XII	**Earnings per equity share (face value of ₹ 10 each)**				
	Basic (in ₹) *	21.79	18.67	8.74	52.04
	Diluted (in ₹) *	21.67	18.59	8.69	51.81

* EPS for the quarters ended are not annualised.

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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CIN: L51216KA1991PLC053425

Statement of unaudited standalone financial results for the quarter ended June 30, 2023

Notes:

1 The above results for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 21, 2023 in accordance with the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2021 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The Company has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2023.

3 The Company had received all regulatory approvals on amalgamation of Madura Micro Finance Limited (erstwhile subsidiary) with CreditAccess Grameen Limited on February 07, 2023. Due to the aforesaid merger being effective from the Appointed Date, i.e., April 1, 2020, the amounts of the Company for the quarter ended June 30, 2022 have been recast / restated.

4 The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

5 The Company, during the quarter ended June 30, 2023 has allotted 20,965 number of equity shares each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).

6 Disclosures in compliance with Regulation 52 (4) and 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2023 is attached as Annexure I.

7 Details of loans transferred during the quarter ended June 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of transfer through Direct assignment in respect of loans not in default during the quarter ended June 30, 2023:

₹ in crore

Particulars	Quarter ended June 30, 2023
Number of Loans	2,14,787
Aggregate amount	594.12
Sale consideration	505.01
Number of transactions	1
Weighted average remining maturity (in months)	17
Weighted average holding period after origination (in months)	7
Retention of beneficial economic interest	15%
Coverage of tangible security Coverge	-
Rating wise distribution of rated loans	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-
Number of transferred loans replaced	-

(ii) The Company has not transferred any non-performing assets (NPAs).
(iii) The Company has not acquired any loans through assignment.
(iv) The Company has not acquired any stressed loan.

8 During the quarter ended June 30, 2022, the Company had reassessed its business model and concluded that Income Generating Loans (IGL) are primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding. Accordingly, as required under Ind AS 109, IGL loans portfolio which were earlier classified as and valued at "Fair Value through other Comprehensive Income" have been classified as and valued at "Amortised cost" with effect from July 01, 2022. Consequently, the Company has reversed accumulated fair value loss and related deferred tax in other equity on July 01, 2022.

9 The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year and the adjusted year to date figures upto the end of third quarter of the respective financial year, which were subjected to Limited Review.

10 Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classification.

For and on behalf of the Board of Directors of **CreditAccess Grameen Limited**

Udaya Kumar Hebbar
Managing Director & CEO

Bengaluru
July 21, 2023

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

PKF SRIDHAR & SANTHANAM LLP BANGALORE

Our Financial Products

GrameenKoota Micro Finance

GrameenKoota Retail Finance

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Annexure - I

(a) Disclosure in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the quarter ended June 30, 2023

Sr. No.	Particulars	Ratio
1	Debt-Equity Ratio: *	3.12
2	Debt service coverage ratio : #	Not Applicable
3	Interest service coverage ratio: #	Not Applicable
4	Outstanding redeemable preference share (quantity)	Not Applicable
5	Outstanding redeemable preference share (Rs. In cr)	Not Applicable
6	Capital redemption reserve (Rs. in cr)	Not Applicable
7	Debenture redemption reserve (Rs. in cr)	Not Applicable
8	Net worth (Rs. in cr): **	5,396.12
9	Net profit after tax (Rs. in cr)	346.29
10	Earnings per equity share (not annualised)	
(a)	Basic (Rs.)	21.79
(b)	Diluted (Rs.)	21.67
11	Current ratio: #	Not Applicable
12	Long term debt to working capital: #	Not Applicable
13	Bad debts to account receivable ratio: #	Not Applicable
14	Current liability ratio: #	Not Applicable
15	Total debts to total assets: $	0.74
16	Debtors turnover: #	Not Applicable
17	Inventory turnover: #	Not Applicable
18	Operating margin: #	Not Applicable
19	Net profit margin: ##	29.58%
20	Sector specific equivalent ratios include following:	
(i)	Gross Stage III (%): @	0.89%
(ii)	Net Stage III (%): @@	0.27%
(iii)	Provision coverage: &	69.59%
(iv)	Capital risk adequacy ratio (CRAR) % - Total ###	24.45%

Notes:

* Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities)/Networth.

** Networth is calculated as defined in section 2(57) of Companies Act 2013.

The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are not applicable.

$ Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities)/total assets.

Net profit margin = Net profit after tax/ total income.

Capital ratio = Adjusted net worth/ Risk weighted assets, calculated as per applicable RBI guidelines.

@ Gross Stage III (%) = Gross Stage III Loans EAD /Gross Total Loans EAD. Exposure at default (EAD) includes Loan Balance and interest thereon. Stage-III loans has been determined as per Ind AS 109.

@@ Net Stage III = (Gross Stage III Loans EAD - Impairment loss allowance for Stage III)/ (Gross Total Loans EAD - Impairment loss allowance for Stage III).

& Provision coverage= Total Impairment loss allowance for Stage III / Gross Stage III Loans EAD.

(b) Disclosure in compliance with Regulations 54 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended:

The listed Non Convertible Debentures of the Company as on June 30, 2023 are secured by exclusive charge on standard receivables (the " Loans ") of the Company. The total Security Cover is 1.12 times of the principal and interest thereon wherever applicable for the said debentures.

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru